[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Corporate Governance Report

Last Update: 9th July 2025

Nippon Sheet Glass Company, Limited

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The corporate governance of Nippon Sheet Glass Company, Limited (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Nippon Sheet Glass Group (the "NSG Group"and the "Group") has established the "NSG Group Corporate Governance Guidelines" below as constituting our basic views on the matter of corporate governance.

The Group considers achievement of the advanced level of corporate governance is a high priority for the Group management and will implement the followings.

(1) Structure

a) The Group's ultimate parent company, Nippon Sheet Glass Company Limited (the "Company" or the "NSG Group") adopts the committee-based governance structure and the Company hence establishes the Board of Directors (the "Board"), Nomination Committee, Audit Committee, Compensation Committee (individually referred to as the "Committee") and Executive Officers.

b) It is the intention of the Board that the Executive Officers should be authorized to determine the businesses and affairs of the Company within the scope as permitted by law, thereby

facilitating separation of execution from oversight, enhancing the transparency of the management processes and further strengthening oversight function over the executive management.

c) The Company will establish and maintain an internal control system operating on a Group-wide basis including the system in relation to financial reporting (J-SOX).

(2) Stakeholders Communication

a) The Group aims to be judged as best in class by our many stakeholder groups in a variety of settings across the whole group (including shareholders, customers, suppliers and local communities) from their own perspectives and also will develop, maintain and enhance good relationship with any of such groups.

b) In relation to the matter of disclosure of corporate information whether or not it is to be made according to legal requirements, the Group always aims to act in a timely and appropriate manner both in terms of the substance and form with a view to maintaining and invariably enhancing transparency of management of the Group.

(3) Code of Conduct

The Group will, in order to materialize those values, create the NSG Group Code of Ethics which all entities and employees etc. of the Group must comply with and will be regularly reviewed in light of the status of implementation/embedding within the Group and the contents.

https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/corporategovernanceguideline2025_07_e.pdf

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company implements all of the principles of the Corporate Governance Code (after revision dated 11th June 2021 including the principles for the Prime Market).

[Disclosure Based on the Principles of the Corporate Governance Code] **[updated]**

【Supplementary Principle 1.1.1 Ensuring Shareholder Rights】

The Company put forward a Proposal "Appointment of eight Directors for the Board" at the 159th General meeting of Shareholders on 26th June 2025. While the proposal was approved, only 81.43%, 79.52%, 81.50%, 81.58% of votes were cast in favour of the election of four Directors, Hiroshi Ishino, Munehiro Hosonuma, Kunihito Minakawa and Shinji

Asatsuma, respectively. Taking this result seriously, the company has analyzed the reasons for opposing votes and studied countermeasures to be taken in the future in line with the Supplementary Principle 1.1.1, and hereby reports as follows.

(i) Main reasons Against

We suppose that there were two main reasons why some shareholders and investors did not support our proposal, insufficient return on equity (ROE) due to the slump in business performance and decline in total shareholder return (TSR) due to sluggish stock prices and postponement of dividend payment.

(ii) Future measures

In line with the medium-term management plan "2030 Vison: Shift the Phase," we will work to seek to recover our business performance and strengthen our financial base so that shareholders and investors can understand our directions to increase the corporate value of the Group.

【Supplementary Principle 1.2.2 Send Convening Notices For General Shareholder Meetings Early】【Supplementary Principle 1.2.4 Exercise of Shareholder Rights at General Shareholder Meetings】

The Company sends the Convening Notices for the General Shareholder Meetings 3 weeks prior to the day of the Ordinary General Meeting of Shareholders and publicizes the Notice 4 weeks prior to the day of the Ordinary General Meeting of Shareholders in our website to give shareholders sufficient time to consider the agenda.

Additionally, the Company is creating an environment in which all the shareholders, regardless of whether they are able to attend General Meeting of Shareholders in person, are provided with opportunities to adequately exercise their voting rights, by participating in the Electronic Voting Platform and publishing the full text of the convocation notice in English as well, including business reports and both consolidated and non-sconsolidated financial statements but excluding the audit reports.

【Principle 1.4 Cross-Shareholdings】

The Company and its main material subsidiaries do not own politically-held listed shares as a matter of principle, unless such ownership becomes necessary for the purpose of enhancing our sustainable enterprise value and serving the important corporate purposes such as significant business alliance, the intent of which is adopted as the "Policy on nil ownership of politically held listed shares" disclosed in our website.

https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/annex/annex8_4_1812_e.pdf

【Principle 1.7 Related Party Transactions】

The Group has established strict procedures concerning the Related Party Transactions in order not to harm the common interests of the Company's shareholders according to relevant laws and regulations such as Companies Act and its internal policies.

Visit our website for details.

https://www.nsg.com/~/media/NSG/Site Content/sustainability/Downloads attached to pages in sustainability section/Principle_1_7_1812_E.pdf

【Supplementary Principle 2.3.1 Sustainability Issues, Including Social and Environmental Matters】

(i) Sustainability in general

The Group regards sustainability initiatives as important activities to achieve both solutions to environmental and social challenges and the sustainable business development, and aims to grow together with society through sustainability activities. As a fundamental management policy for addressing these activities, the Board of Directors has adopted the "Basic Policy on Sustainability". In the medium-term management plan "2030 Vison: Shift the Phase," we have established six (6) materialities, including "Health and Safety," which is newly separated from "Human Capital" and identified as an independent material issue, in addition to five (5) materialities ("Environment," "Social Shift and Innovation," "Safe and High-quality Products and Services," "Ethics and Compliance," and "Human Capital") as important issues to recognize to achieve both sustainable corporate growth and contribution to the realization of a sustainable society over the medium to long term. In particular, the three materialities of "Environment," "Social Shift and Innovation," and "Human Capital," which are the source of our competitiveness, correspond to 4 "Ds" (Decarbonization, Development, Diversity, Digital) introduced in the medium-term management plan as the Group's strategic pillars to enhance its corporate value. The Group is committed to driving sustainability initiatives forward under this Basic Policy.

Basic Policy on Sustainability

https://www.nsg.com/-/media/nsgcom/sustainability/policies/nsg-group-basic-policy-on-sustainability_e01.pdf

Materiality
https://www.nsg.com/en/investors/management-policy-and-sustainability/materiality

(ii) Governance

The Board of Directors has adopted the Basic Policy on Sustainability and established targets for the Group's sustainability activities. Sustainability initiatives are steered mainly by the Sustainability Committee, which reports regularly to the Board of Directors, and the opinions of the Board of Directors expressed at these meetings are reflected in subsequent initiatives. In FY2025,the Committee reported to the Board of Directors in November 2024 on our materiality review and progress in our sustainability initiatives, and the progress of efforts to achieve the goals were confirmed at the Board of Directors.

Earlier, the Company had established the Energy & Carbon Committee to discuss energy and decarbonization initiatives and the Supply Chain Committee to discuss supply chain issues as Sub-Committees of the Sustainability Committee. During the course of discussion on the medium-term management plan, new Sub-Committees on "Ethics and Compliance", "Human Capital", and "Social Shift and Innovation" were established under the Management Committee. As a result, the Company now has Sub-Committees related to all major materialities. The Sustainability Committee is responsible for overseeing these Sub-Committees on sustainability and determines major goals and KPIs for each of the six materialities and managing their progress. The Sub-Committees are responsible for developing specific action plans to achieve target KPIs for each materiality and managing the progress of these plans. In FY2025, the Company hold three times Sustainability Committee meetings to review the status of activities globally.

(iii) Risk management

The Group's enterprise risk management (ERM) process is carried out by the Strategic Risk Committee (SRC) in accordance with ISO 31000. The SRC defines the risk appetite and tolerance associated with the Group's activities, and regularly goes through a process to identify and evaluate risks to the achievement of strategies. In FY2025, the risks related to climate change, poor product quality, and human resources were reported and monitored at the Committee in September and December 2024 and March 2025.

【Supplementary Principle 2.4.1 Ensuring Diversity, Including Active Participation of Women】

(i) Ensuring diversity in the promotion of core human resources

The Group formulated the Diversity, Equity & Inclusion (DEI) Policy that develops and evolves Equality into Equity to enhance and accelerate the Group’s current State of Intent

to promote Inclusion & Diversity in June 2023.

NSG Group DEI Policy

We will create and develop an organization where each and every one of us will shine brightly like glass.			
✓	Diversity	:	Recognize individual differences, respect each other, and create value
✓	Equity	:	Provide suitable opportunities for each individual to demonstrate their strengths
✓	Inclusion	:	Everyone feels safe to voice their opinions, discuss, and take a decision

In the medium-term management plan, the Group has established "Divers Talent" as one of the 4 "Ds" representing the Group's strategic pillars. Building a robust and high-performing workforce and organization is pivotal to our strategy, and the Group will invest based on a well-defined HR strategy. The Group will also promote measures to globally demonstrate our attractiveness as a workplace that offers opportunities for professional development for those who work with genuine passion and interest. The Group will set four directions for our HR strategy: " Leaders & Our Culture", " Attract, Develop, Retain", " Team Strength", and " People Experience", with key measures of "HR Digital", " Talent Acquisition & Recruitment", " Value Proposition for Our Employees ", and "Diversity, Equity and Inclusion". In addition, the Group will take action based on the 4 "Fs" ("Flat," "Frank," "Fast," and "Fun").

The detail is provided in the Integrated Report and disclosed on our website.
https://www.nsg.com/en/investors/ir-library/annual-reports

(ii) Promotion of female career advancement

The Group supports female career development through DE&I programs. Also, the Group promotes awareness of International Women's Day as a day for recognizing diversity. In Japan, following activities are being undertaken to promote gender diversity: greater visibility for females in succession planning discussions, identifying, and confirming the positions to which female managers will be appointed, regular career workshops for female managers, and joint career seminars with female employees of other companies.

At the Group DEI Steering Committee, the Group confirmed the target to increase female managers in each business and functional division of the entire group from 12.7% as of

30th June 2021 to 1 percentage point above that level by FY 2024/3.
The ratio of female managers as of FY2024/3 was 16%, an improvement of 3.3 points. The Group has set new targets to increase the ratio of female managers in the entire group to 24% by FY2027/3, and to 30% by FY2030/3, and the result of FY2025/3 has risen to 18%. The Group will continue to share best practices and strive for further improvement.

(iii) Promotion of foreign and mid-career employees
The Group operates as an integrated international Group, with a multinational management team. Group entities located globally are basically managed by the local Leadership teams.

Foreign Senior Managers in the Group
・76.4% as of 31 March 2025
・77.8% as of 31 March 2024
・78.6% as of 31 March 2023

The Group has diverse workforce with a broad range of skills, qualifications, and experience in the world. In Japan, the Group is promoting the mid-career employment to satisfy the skills and careers required by our Business and Function divisions.

New Employment in the NSG Co., Ltd.
・FY25 : 31 new graduates and 107 mid-careers
・FY24 : 14 new graduates and 79 mid-careers
・FY23 : 5 new graduates and 57 mid-careers

(iv) Human resource development and internal environment development to ensure diversity
The Group continuously cultivate our employees through learning and development opportunities, aiming to provide a working environment that allows our people to reach their full potential and meet our customers' expectations. In 2018, the Group introduced Talent Management as part of our wider Talent Strategy supporting the Group's Vision and Values. With this introduction, we migrated key global talent records and data to a new talent management system. This global approach to talent management is more inclusive and reduces ‘organizational silos as we can share the talent data such as Performance Reviews and Succession Plans across Regions, SBUs and Functions via the system, allowing us to take a transparent and dynamic approach to Talent Management continuously. Regarding the training, the Company has shifted its training programs related to human resource development to a format that combines face-to-face instructional formats with an

appropriate mix of online virtual classrooms, action learning, coaching, and other developmental activities.

In Japan, the Company was awarded Platinum Kurumin Certification by Japanese Ministry of Health, Labour and Welfare in 2019 in recognition of our action plans to help employees balance work and childcare that successfully ended in fulfilling their career aspirations and meeting childcare needs to a great extent. The Company is encouraging more paternity leave. In addition, the Company is striving to achieve a work environment where diverse individuals can maximize their full potential, realizing diverse working styles not bound by place and time through the expansion of remote work and the introduction of flextime system without core time, for example.

【Principle 2.6 Roles of Corporate Pension Funds as Asset Owners】

The Company has organized the Asset Management Committee consisting of Finance and HR teams to formulate and review the basic policies and strategic asset allocation for the management of pension assets and the asset portfolio mix, and evaluate the performance of the investment management organizations. In particular, those with appropriate qualifications and business experience are assigned to be in charge of investment management and operations. Stewardship activities are monitored through quarterly reports from the investment management organizations. No conflict of interest will arise between the corporate pension beneficiaries and the Company since the exercise of voting rights in relation to the managed assets is left in the sole discretion of the investment management organizations.

We continue to seek, with the aid of external support as well as expertise accumulated internally within the Group, enhancing the expertise quality of pension management and thus strengthening the function of the pension funds as asset owners.

【Principle 3.1 Full Disclosure】

(i) Management principles, business strategies and business plans

The Group has formulated the management principles ”Our Vision,” and Medium Term Plan ”2030 Vision: Shift the Phase” and made them publicly available in our website and various publications etc.

Management Principles “Our Vision”

Mission

Changing our surroundings, improving our world

Aspiration

Through innovation, becoming the most trusted partner in all industries we work in

Core Values

- Respect others and unleash their potential.
- Exemplify trust and integrity.
- Ensure efforts to serve society.
- Take the initiative.
- Embrace challenges and learn from failure.
- Follow through to get results.

https://www.nsg.com/en/about-nsg/our-vision

Medium Term Plan "2030 Vision: Shift the Phase"

https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtp2030presentation_e02.pdf

(ii) Basic views and guidelines on corporate governance (NSG Group Corporate Governance Guidelines)

The Group has crystallized its basic views and guidelines on corporate governance in the form of NSG Group Corporate Governance Guidelines and uploaded them to our website.

https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/corporategovernanceguideline2025_07_e.pdf

(iii) Policies and procedures for determining the compensation for the senior management and Directors

The Compensation Committee, chaired by Independent External Director and composed of four (4) Directors, three (3) of whom, including the Chairperson, are Independent External Directors, determines the policy of, and individual contents of, compensation payable to Executive Officers and Directors. Details are stipulated in "Compensation for Directors and Executive Officers (Shikkoyaku), Disclosure of Policy on Determining Compensation Amounts and Calculation Methods" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management".

Principles of Compensation for Directors and Executive officers

https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/principle_3_1_3_2507_e.pdf

(iv) (v) Policies and procedures for the appointment and the dismissal of the senior management and the nomination of Director candidates

The Company will decide candidates for Directors at the Nomination Committee, chaired by Independent External Director and composed of six (6) Directors including the Chairperson, five (5) of whom are Independent External Directors, and submit the details to the ordinary General Meeting of Shareholders as proposals. In addition, the Board of Directors will, on the basis of recommendation rendered by the Nomination Committee in advance, appoint or dismiss senior executive managers including Executive Officers. These decisions will be carried in accordance with the "General Criteria to Select Candidates for Directors" or the "Policy and Procedure on Appointment and Dismissal of Executive Management", details of which are accessible in our website.

Policies and procedures for the appointment and the dismissal of the senior management and the selection of Director candidates

https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/principle_3_1_4_2507_e.pdf

【Supplementary Principle 3.1.2 Full Disclosure】

The Company discloses and provides various disclosure materials (Financial Reports, IR Presentations, Notices of Convening of General Meetings of Shareholders, Shareholder Communications "To Our Shareholders", Integrated Reports, etc.) in Japanese and English on the Company's website.

【Supplementary Principle 3.1.3 Full Disclosure】

(i) Efforts to tackle climate change

The Group acknowledges that tackling climate change and other environmental issues is a major management challenge for realizing a sustainable growth of the Group.

With regard to GHG emissions from the manufacturing processes, the Group already set targets in October 2019 of reducing GHG emissions (Scope 1 and Scope 2) by 21% compared to its 2018 levels by 2030 as "Science Based Targets" certified by SBT Initiative (SBTi)*, and we have been taking initiatives in line with these targets.

In 2022, the Group resolved on the achievement of carbon neutrality by 2050 as a goal that we should be committed to inevitably and decided to raise the carbon reduction target by 2030, which is more important for achieving carbon neutrality, from 21% to 30% for GHG

emission from the manufacturing processes (Scope 1 and Scope 2) and then, set out additional measures that are more concrete and feasible. Also, GHG emission from Supply Chain (Scope 3) was added as another reduction target. The Group's targets have been certified by SBTi as the first such targets introduced by a Japan-based glass manufacturer in May 2022.

In FY2025, the Group continued to market the lowest carbon glass of its kind in Europe, as part of our effort to contribute to the environment through decarbonization of our products. Meanwhile, the Group remained focused on expanding our flagship products, such as solar glass and insulating glass.

In addition, in the Medium-Term Management Plan, we revised CO2 emissions intensity target to 3% year-on-year reduction and also introduced a new target of 65% renewable energy electricity ratio by FY2027.

The Group will continue to focus on decarbonization initiatives through developing combustion methods using alternative fuels, introduction of renewable energies, and CO2 reductions in our value chains. Also, we are determined to contribute to the decarbonization of society through our products proactively.

* SBT (Science Based Targets) are a set of greenhouse gas reduction targets consistent with scientific knowledge

The roadmap for carbon neutrality in 2050 is disclosed on our website.
https://www.nsg.com/en/sustainability/climate-change/roadmap-to-carbon-neutrality

(ii) Investments in human capital and intellectual properties

1) Human Capital

The Group positions cultivating corporate culture, developing human resource systems, and creating an employee friendly work environment as key elements of "Human Capital Investment" to ensure that every employee can "grow" through business activities and "find joy in their work". To maximize the effectiveness and efficiency of these investments and to drive sustainable corporate growth, we are promoting "Human Capital Management" on a global scale.

In the medium-term management plan, the Group has established "Divers Talent" as one of the 4 "Ds" representing the Group's strategic direction. Building a robust and high-performing workforce and organization is pivotal to our strategy, and the Group will invest based on a well-defined HR strategy. The Group will also promote measures to globally

demonstrate our attractiveness as a workplace that offers opportunities for professional development for those who work with genuine passion and interest. The Group will set four directions for our HR strategy: " Leaders & Our Culture", " Attract, Develop, Retain", " Team Strength", and " People Experience", with key measures of "HR Digital", " Talent Acquisition & Recruitment", " Value Proposition for Our Employees ", and "Diversity, Equity and Inclusion". In addition, the Group will take action based on the 4 "Fs" ("Flat," "Frank," "Fast," and "Fun").

We conduct "Your Voice" survey for all employees globally and implement improvement measures based on the survey results using employee engagement as an indicator to promote corporate culture reform. Additionally, based on one of the Group's core values, "Respect others and unleash their potential", we have enhanced "Inclusion & Diversity (I&D)" initiative to "Diversity, Equity & Inclusion (DEI)" initiative and are working to improve employee engagement with focus on each individual's strength and development. As an indicator of human resource diversity, we use the ratio of female managers in the Group.
The Group's human resource strategy, including human capital, is described in detail in the Integrated Report and disclosed on our website.
https://www.nsg.com/en/investors/ir-library/annual-reports

2) Intellectual Properties

The Group recognizes the importance of Intellectual Property (IP) in pursuing its business objectives and maintaining a competitive edge in its technical expertise. The Intellectual Property team works closely with R&D and the SBUs to align our patent strategy with our business and R&D strategies. They are proactively managing the Group's IP portfolio paying particular attention to patents that are closely connected with our core and strategic businesses. This way, Intellectual Property Rights for product developments and process technology developments are secured, maintained, and vigorously enforced.
In the medium-term management plan, we have established "Business Development" as one of four strategic pillars or 4 "Ds". The Group will continue to invest in R&D in the glass and related areas, identify areas where new development is needed, and create new solutions together with customers. The Group takes in pride in our history of creating world-first technologies, and aims to develop new and valuable technologies and services.
Also, the Group aims to maintain and advance its competitive trading position by proactively capitalizing on intellectual property. It is important to align our own patent strategy with our business and R&D strategies, and the Group is pursuing patent prosecution both in "product development" and "key technology development" areas, which are closely

connected with our core and strategic businesses. As a part of such effort, we seek to acquire patents ahead of competitors, and ensure that patenting activities are performed in a way that meets the needs of businesses by maintaining close contacts with the development and manufacturing frontlines.
Social shift and innovation (R&D strategy), including intellectual property, are described in detail in the Integrated Report and disclosed on our website.
https://www.nsg.com/en/investors/ir-library/annual-reports

(iii) Impact of climate change-related risks and earnings opportunities on the Company's business activities and profits The Group have been aligning its climate related disclosures with the Taskforce on Climate related Financial Disclosures (TCFD) utilizing the Carbon Disclosure Project (CDP) framework. In November 2021, the Group announced the support for the recommendations issued by the TCFD and joined the TCFD Consortium.
In line with the four perspectives of "Governance", "Strategy", "Risk Management", and "Metrics and Targets" as well as the disclosure framework recommended by TCFD, the Group assesses potential impacts of climate-related risks and opportunities more quantitatively using the climate scenario analysis. Details are provided in the Integrated Report and disclosed on NSG's website.
https://www.nsg.com/en/investors/ir-library/annual-reports

【Supplementary Principles 4.1.1　Roles and Responsibilities of the Board (1)】
It is the purview of the Board of Directors to decide on the basic management policies, including business and financial strategies and annual, medium- and long-term business plans, certain important matters such as an election of Executive Officers, and other matters required to be determined by laws or the Articles of Incorporation. The Board authorizes the Executive Officer(s) to decide on all other matters as matter of principle in order to enable nimble and flexible decision-making by the executive management as well as enhance effectiveness of supervision by the Board.
An overview of the scope of such delegation is described in Article 10.1 (2) of the NSG Group Corporate Governance Guidelines and disclosed on our website.

Overview of the scope of delegation to the management team
https://www.nsg.com/~/media/NSG/Site-Content/sustainability/Downloads-attached-to-pages-in-sustainability-section/Annex/Annex10_1_2503_E.pdf

【Supplementary Principles 4.1.3　Roles and Responsibilities of the Board (1)】

The Nomination Committee clarifies the qualifications for a top managing officer and required personality or character as a part of the Chief Executive Officer's succession plan. Further, the Company formulates and operates training programs and leadership development plans for management development needs. In addition to such plan for CEO, the Company also creates and maintains succession plans for certain specified senior managers of the Group and regularly reviews them to ensure their validity. In case the incumbent CEO is also a member of Nomination Committee, he/she will not be involved in any decision or discussion as to his/her own succession plan, except only where he/she expresses his/her opinion in response to specific request, if any, from the Nomination Committee to do so. As relevant, the Terms of Reference of Nomination Committee is uploaded in our website.

Terms of Reference of Nomination Committee
https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/annex/annex14_3_2207_e.pdf

【Supplementary Principle 4.2.1　Roles and Responsibilities of the Board (2)】
The Compensation Committee designs and operates the executive remuneration system and determines the remuneration amounts for Directors and Executive Officers based on the Compensation Policy for Directors and Executive Officers. This objective is also set out in Article 16 of the CG Guidelines.

Compensation Policy for Directors and Executive Officers
https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/principle_3_1_3_2507_e.pdf

【Supplementary Principle 4.2.2　Roles and Responsibilities of the Board (2)】
(i) Basic policy for the Company's sustainability initiatives
The Group upholds a mission "to change our surroundings and improve our world through the high quality products and services", and to that end, aims "to become the most trusted partner in all industries we work in through innovation" as our enduring goal.
Contributing to the realization of a sustainable society and world is an essential part of the management policy of the Group, which operates in many countries and regions around the world, and also is the cornerstone of its business strategy.
To achieve this goal, the Group is committed to contributing to the sustainable enhancement of corporate value and the realization of a sustainable society over the medium to long term

by identifying materiality issues together with appropriate KPIs and by addressing and resolving these issues through our business in line with the NSG Group Policy on Sustaiability adpopted at the Board of Directors. Through such a framework, NSG Group is working on six(6) materiality issues as follows: "Health and Safety" , "Ethics and Compliance" , "Safe and High-quality Products and Services" , "Environment" , "Social Shift and Innovation" , and "Human Capital".

NSG Group Basic Policy on Sustainability
https://www.nsg.com/-/media/nsgcom/sustainability/policies/nsg-group-basic-policy-on-sustainability_e01.pdf

These sustainability initiatives are promoted mainly by the Sustainability Committee chaired by CEO. The Committee regularly reports to the Board of Directors and reflects views of the Board of Directors presented in response to such reports on the further roll-out of such initiatives.

(ii) Supervision of the allocation of management resources and the implementation of business portfolio strategies
In the medium-term plan "2030 Vision：Shift the Phase", the Group will improve profitability through investment to enhance the manufacturing capacity for high value-added products, continuous cost reduction, and portfolio transformation by means of strategic replacement and conversion of manufacturing facilities. The Board of Directors has regularly received reports on the medium-term plan from the executive team and monitor the progress.

【Supplementary Principle 4.3.2 , Supplementary Principle 4.3.3　Roles and Responsibilities of the Board (3)】
The Nomination Committee determines the necessary qualifications for CEO and the procedure for selecting the CEO in advance pursuant to the Policy and Procedure on Appointment and Dismissal of Executive Management, and recommends candidates to the Board of Directors, on the basis of which the Board of Directors makes the final selection of the CEO.
Also, the Nomination Committee, pursuant to the Policy and Procedure on the Appointment and Dismissal of Executive Management, deliberates in advance on the appropriateness of CEO dismissal (including the case where the CEO's term of office is not renewed contrary to an initial assumption; hereinafter the same applies in this regard), and recommend the implementation of such decision to the Board of Directors, which then makes a final decision.

In case the incumbent CEO is a member of Nomination Committee, he/she will not be involved in any decision or discussion as to such recommendations , except only where he/she expresses his/her opinion in response to specific request, if any, from the Nomination Committee.

As relevant, both of the Terms of Reference of Nomination Committee and the Policy and Procedure on Appointment and Dismissal of Executive Management are disclosed in our website.

・Terms of Reference of Nomination Committee
http://www.nsg.com/~/media/NSG/Site-Content/sustainability/Downloads-attached-to-pages-in-sustainability-section/Annex/Annex14_3_2207_E.pdf

・Policy and Procedure on Appointment and Dismissal of Executive Management
https://www.nsg.com/~/media/NSG/Site-Content/sustainability/Downloads-attached-to-pages-in-sustainability-section/Annex/Annex14_2_2112_E.pdf

【Supplementary Principle 4.3.4　Roles and Responsibilities of the Board (3)】

(i) The Group has established Strategic Risk Committee composed of Executive Officers including CEO and appointed Chief Risk Officer ("CRO") from among the Executive Officers. The responsibilities of Strategic Risk Committee (SRC) include providing an overall framework for the enterprise risk management of the Group, and identifying and evaluating the high-level risks which could have a material adverse effect. The CRO chairs the SRC meetings and, as the representative of the Committee, regularly reports to the Management Committee and Audit Committee on the effectiveness of the fundamental system of internal control and the risk management structure of the Group.

(ii) The Board of Directors has adopted the Basic Policy on Group Organization and Governance, which organizes the Group's overall management structure including the positioning and interrelationships of each SBU and Function, as well as the authority relationships between the Board and the executive body in case of material restructuring. Additionally, we create organizational charts for each SBU and Function which supports SBUs to clarify reporting lines and operate such reporting system.

(iii) Internal Audit Function performs the role of giving independent assurance to efficacy of such overall enterprise risk management of the Group.

(iv) The Group has also formulated the NSG Group Entities Management Policy in order to comprehensively identify and manage material risks inherent in each legal entity

constituting the Group. The Executive Officer in charge is responsible for regularly reporting the outcomes to the Management Committee and the Board of Directors. In addition, the Group has newly created the Group Entities Management Procedures, which clarifies the accountability of the Executive Officers for the governance of the relevant Group entities and the responsibility of each entity's directors.

【Principle 4.8　Independent Directors】

Currently, the Company has six(6) Independent External Directors on the Board, and the majority of the Directors are Independent External Directors. The CG Guidelines stipulate that "The Board of Directors is comprised of a majority of Independent External Directors". In addition to the Chairperson of the Board of Directors, Nomination, Audit and Compensation Committees of the Company are chaired by Independent External Directors. Details of the significance and roles of Independent External Directors are described in the CG Guidelines and disclosed in our website.
https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/principle_4_8_2507_e.pdf

【Supplementary Principle 4.8.1　Independent Directors】

The NSG Group Corporate Governance Guidelines stipulate that "Independent External Directors will organize and hold ad-hoc meetings as appropriate and on as-needed basis, at least once per annum in order mainly to exchange views regarding any issue of Group's corporate governance, important management issues of the Group, and specific material proposals produced". In fact, the Company holds the Independent External Directors meetings at least once a year to discuss and exchange opinions on corporate governance and other important issues.

【Principle 4.9　Independence Criteria and Qualification of Independent Directors】

The Company, when considering qualification for independence of External Directors, has established and applies its own Independence Criteria duly taking into account their relationship with the Group, the Executive Officers as well as major shareholders, further to the Independence Standards of External Directors set by TSE.

The details are described in the Matters relating to Independent Directors in II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management and disclosed on the website.
https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/criteriaofindependency_e01.pdf

【Supplementary Principle 4.10.1　Use of Optional Approach】

The Company has established the Nomination Committee and the Compensation Committee as a part of its committee-based governance structure. Both the Nomination Committee and the Compensation Committee are chaired by Independent External Directors, and composed of a majority of Independent External Directors, including the Chairperson.

The Nomination Committee decides the content of the agenda for the appointment and dismissal of Directors to be submitted to the general meeting of shareholders. In addition, the Nomination Committee recommends or advises the Board of Directors regarding the appointment and dismissal of Executive Officers and other Senior Management Officers of the Group whose appointment and dismissal are decided by the Board of Directors.

The Compensation Committee determines the policy of remuneration for Directors and Executive Officers. The Committee also decides the content of individual remuneration for Directors and Executive Officers.

There are "Terms of Reference of Nomination Committee" and "Terms of Reference of Compensation Committee" as related regulations, which are disclosed on the website.

・Terms of Reference of Nomination Committee
http://www.nsg.com/~/media/NSG/Site-Content/sustainability/Downloads-attached-to-pages-in-sustainability-section/Annex/Annex14_3_2207_E.pdf

・Terms of Reference of Compensation Committee
https://www.nsg.com/~/media/NSG/Site%20Content/sustainability/Downloads%20attached%20to%20pages%20in%20sustainability%20section/Annex/Annex16_2_2112_E.pdf

【Principle 4.11 Preconditions for Board and Kansayaku Board Effectiveness】

In pursuing one of the Core Values set in Our Vision, "Respect others and unleash their potential", as well as the Diversity, Equity & Inclusion (DEI) Policy, the Group respects the diversity of its people and is committed to promoting diversity in its various bodies including the Board of Directors. In the CG Guidelines, the Company stipulates that "The Group values the principle and wisdom of creating and maintaining diversity in the composition of the Board given specifically the development of and commitment to the businesses conducted globally and thus, aims to ensure that the Board will be composed of such members with a well-balanced mix of professional skills, knowledge, expertise and experience by reference to the management objectives and strategies of the Group, and with diverse backgrounds in terms of gender, international experience, work experience, age, etc., and at the same time its size will be maintained such that the Board can discharge its function effectively

and efficiently".

In terms of internationality of the Board, one(1) of the eight(8) Directors of the Board is non-Japanese. In terms of professional experiences, they include former President, Chairperson, and six(6) of them are External Directors with abundant international experiences in multiple companies and institutions. Such diversity of Directors is believed to ensure a good balance of experience and expertise of the Board, which we consider to be critical given the circumstances surrounding the Company and the issues to be resolved. In terms of age, the Board is made up of Directors ranging from 50s to early 70s. In terms of gender, one of the eight(8) Directors is female. As for Executive Officers, also a function under the Company Law, six(6) out of the 13 Officers are non-Japanese (including two who also serve as Director), one(1) is female. Thus, the Group has a well-balanced composition of Directors and Executive Officers in terms of gender, internationality, professional career and age with a good understanding of their respective roles in oversight and execution. We will continue to strongly promote the diversification of the Board of Directors and Executive Officers.

At least one member of the Audit Committee, which consists of four(4) Independent External Directors, will be elected from among those who have specialized knowledge in finance and accounting to a respectable degree as prescribed in Article 9 of the CG Guidelines. Currently, Kunihito Minakawa, Director, is elected as such a member of the Audit Committee. In addition, the Group analyzes and evaluates the effectiveness of the Board of Directors on a fiscal year basis, and disclose the results and action plans, etc. The purpose of this is prescribed in Article 23 of the CG Guidelines, which are disclosed on our website.

【Supplementary Principle 4.11.1 Preconditions for Board and Kansayaku Board Effectiveness】

The Board of Directors shall consist of Directors with a well-balanced mix of professional skills, expertise, and experiences reflecting the global footprints of the Group. In light of the Group's management strategy and important issues to be addressed in its medium-term plan, we define the key experiences and expertise required of Directors, create a skills matrix, and disclose them in the Notice of convening the ordinary General Meeting of Shareholders. Additionally, we have established the 'Criteria for the Selection of Director Candidates,' and when selecting Director candidates, we confirm that the candidates are equipped with the skills that match those in the skills matrix in addition to meeting the Criteria while also considering diversity, so that a well-balanced composition of Directors can be realized as a whole."

・Skill matrix（Notice of convening the ordinary General Meeting of Shareholders）
https://www.nsg.com/-/media/nsg/site-content/ir/ir-library/shareholders-meeting/159th/159thshareholdersmeeting_e01.pdf

・Policies for the appointment of the nomination of the Director candidates
https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/principleofreplenishment_4_11_1_2406_e.pdf

【Supplementary Principle 4.11.2 Preconditions for Board and Kansayaku Board Effectiveness】

The Company's General Criteria for the Selection of Candidates for Directors stipulates that Directors must be able to secure sufficient time for participation in the Board of Directors and Committees meetings. Concurrent positions held by Directors are disclosed in our website and described in the Notice of convening the ordinary General Meeting of Shareholders and Financial Results Reports.

・Concurrent positions held by Directors
https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/principleofreplenishment_4_11_2_2507_e.pdf

【Supplementary principle 4.11.3 Preconditions for Board and Kansayaku Board Effectiveness】

The NSG Group has made it an internal practice to implement an annual effectiveness review of the Board and three Committees, namely, the Nomination, Audit, and Compensation Committees to continuously enhance the level of their functionality and effectiveness. The purpose of this is prescribed in Article 23 of the CG Guidelines, which are disclosed on our website.
https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/corporategovernanceguideline2025_07_e.pdf

Through this process, the Board oversees the progress of priority implementation items and updates the priority items as necessary as a new issue is found. The Board continuously aims to enhance the effectiveness of the Board as a whole by regularly monitoring their progress. The entire process is led and supervised by Independent External Directors under the leadership of the Chairperson of the Board to ensure the adequacy and independence of the process.

The following shows the Initiatives to address Priority Implementation Items for FY2025, as well as the Board Effectiveness Review process and evaluation results for FY2025.

[Initiatives for the Priority Implementation Items for FY2025 (Review)]

As for the Priority Implementation Items for FY2025, we believe that certain progress has been made through various initiatives and discussions at Board, Directors offline meetings*, each Committee, etc.

FY2025 Priority Implementation Items	Initiatives Undertaken
・ Further improvement of the supervisory function of BOD as a monitoring board through implementation of "Basic Stance" and "Expected Conduct" by each Director as provided by the "BOD Charter". ・ Monitoring (oversight) and focused discussion of identified "key management issues" and providing appropriate support to the management team as the situation requires (enhance decision-making, make suggestions, etc.)	・ Monitoring (oversight) and focused discussion of identified "key management issues" and providing appropriate support to the management team as the situation requires (enhance decision-making, make suggestions, etc.) ・ Revised the Criteria for Agenda Items of the Board based on the BOD Charter. ・ Board proceedings conducted by the BOD Chairperson in alignment with the BOD Charter.
・ Further enhancement of the Board meeting operation to contribute to invigoration of discussions at the Board meetings.	・ Implemented initiatives to enhance Board discussions, such as setting agenda based on the clarified purposes of Board and offline meetings, making meeting papers and presentations more concise.
・ Implementation of initiatives contributing to the enhancement of the Executive succession and the candidate recommendation process.	・ Increased sharing of personnel information of Executive Officers with the Nomination Committee. ・ Created opportunities for communication with potential Executive Officer candidates through offline meetings, etc.
・ Continued and more in-depth discussions with a view to more appropriate Management Incentive Plan in terms of incentivization.	・ Continuously discussed the Management Incentive Plan at the Compensation Committee.

* Offline meeting that is distinguished from a formal Board meeting.

The "Board of Directors Charter" was developed and adopted by the Board of Directors in May 2024, setting forth the basic stance and expectations which are necessary for the Board of Directors to address to the current situation of the Group, with the aim that each Director will exercise his/her supervisory function based on a common understanding.

The "Board of Directors Charter" is disclosed on the Group's website.

http://www.nsg.com/~/media/NSG/Site-Content/sustainability/Downloads-attached-to-pages-in-sustainability-section/Annex/Annex10_2_2405_E.pdf

[Effectiveness Review Process in FY2025]

For the FY2025 annual evaluation, a questionnaire survey (featuring a four-point scale and open-ended questions) and Individual follow-up interviews were conducted for all Directors by the Board of Directors Secretariat. The evaluation covered topics such as the composition of the Board of Directors and its Committees, meeting operations, agenda setting, the status of deliberations, the execution of oversight functions by the Board and individual Directors in alignment with the Board of Directors Charter, communication with the Executive team, and key issues requiring further in-depth deliberation. Based on the responses and feedback from each Director, the Independent External Directors held discussions, and the Board evaluated the effectiveness of the Board of Directors and its committee.

[Board Priority Issues and Board Priority Implementation Items in FY2026]

Based on the above process, the Board of Directors have confirmed the following Board Priority Issues and Board Priority Implementation Items in FY2026.

FY2026 Board Priority Issues	FY2026 Board Priority Implementation Items
BOD as a whole is still halfway in terms of fully realizing its oversight functions as outlined in the BOD Charter and each Director should engage in BOD activities with this goal in mind.	Initiatives to have the BOD Charter embedded further ・ Effective leadership by the BOD Chairperson and review among Independent External Directors. ・ Share the BOD Charter with new Directors thoroughly in terms of its significance and background.
Improve qualities of BOD monitoring and discussions on the key management issues.	Initiatives for monitoring and enhancing discussion on the "key management issues" ・ Demonstrate appropriate initiatives and set KPIs/milestones that are monitorable. ・ Clarification of Executive ownership of the key management issues. ・ Establish effective agenda for the BOD meetings.
Improve the effectiveness of Executive Officers (EOs)' initiatives to address various challenges further.	
Discuss BOD composition and diversity in light of the current structure and state of the Company's businesses.	Discussion on the Company's BOD composition/diversity ・ Discussion on the Company's composition/diversity in light of business structure and current state, including the terms of Ind. External Directors.

Improve quality of BOD materials and presentation, timing of materials distribution, and pre-briefing by the Secretariat.	Enhancing the functions of the Secretariat to contribute to facilitating more effective BOD meetings ・ Improve the quality of BOD materials and presentation. ・ Study and implement more effective ways of prior briefing to Directors.
For the discussion of appointment/ dismissal of EOs and their compensation, provide more information about EOs and candidates, including their performance appraisals, to enhance EO selection process.	More effective discussions on the appointment/dismissal of EOs, succession plan, and compensation. ・ Provide more detailed information on EOs (candidates) from HR Function including their performance appraisal. ・ Continued discussions aiming to enhance the EO selection process.

As "key management issues" for FY2026, issues related to cash generation and strengthening of the executive organization were identified through discussions among Independent External Directors.

Through these efforts, the NSG Group will continue to strive to further improve the effectiveness of the Board of Directors.

In order to drive forward the management structure facilitating sustainable growth and the enhancement of enterprise value of the Group in a medium to long term in light of establishing an appropriate corporate governance structure, these priority implementation items should be validated on a regular basis in terms of their implementation status and effectiveness while their contents should be reviewed as appropriately. Such validation and review are expected to constitute a material part of the Board effectiveness evaluation process for the following year.

【Supplementary principle 4.13.3　Information Gathering and Support Structure】

The Group will, on the basis of the "Fundamental Policies of the Company on the Creation of an Effective Internal Control System of the Group" approved by the Board of Directors, create, maintain and operate the internal control structure, and will further assess its effectiveness, and continuously seek to improve such control structure.

The Board of Directors and the Audit Committee may, on an as-required basis, receive reports directly from the Group Internal Audit regarding internal control in such areas as sustainability, internal audit, risk management, finance, treasury, taxation, human resources, labor relations, pensions, health and safety, investor relations, legal, ethics and

compliance, and environment.
The Audit Committee Office is established as the secretariat of the Audit Committee. The Board Secretariat Team and the Audit Committee Office will provide information to Directors, especially Independent External Directors on an ongoing basis. To assess the appropriateness of the support functionality of these Secretariats, a questionnaire is included in the annual Board effectiveness evaluation, and improvement actions are defined and implemented where necessary.

【Supplementary principle 4.14.2　Director and Kansayaku Training】
Directors and Executive Officers need to deepen their understanding of the operations of the Group and its business environment as well as their knowledge of corporate governance, ethics and compliance and other relevant matters as necessary for fulfilling their respective roles and responsibilities. For this purpose, the Group will provide training opportunities along with financial support for associated expenses.
In particular, External Directors, who are tasked to support the effectiveness of corporate governance, will be given a continuing support not only when assuming their position but throughout their term of office from the perspective of enhancing the discussions at the meetings of the Board of Directors and improving the supervisory functions exercised by them. The Group provides opportunities for introduction to outside seminars, visiting the Group's sites, and meetings with Business Executives.

・Group Policy on Providing Adequate Training for Directors and Executive Officers
https://www.nsg.com/-/media/nsg/site-content/sustainability/downloads-attached-to-pages-in-sustainability-section/principleofreplenishment_4_14_2_2405_e.pdf

【Principle 5.1　Policy for constructive dialogue with shareholders】
The Group values open, fair, active, continuous and constructive communication with our shareholders and investors. The Group aims to engage effectively with shareholders and investors by making the most of a number of avenues and opportunities available to us including through regular communications, investor relation activities and the General Meeting of Shareholders, whilst simultaneously ensuring adherence to any applicable laws and internal regulations.

・NSG Group Policy on Constructive Dialogue with Shareholders
http://www.nsg.com/~/media/NSG/Site-Content/sustainability/Downloads-attached-to-pages-in-sustainability-section/Annex/Annex2_2_b_2112_E.pdf

【Supplementary principle 5.1.1　Policy for Constructive Dialogue with Shareholders】

Overall, the Group CEO takes a leadership role in maintaining and enhancing investor/shareholder relations, with the active involvement of other executive management of the Group as required from time to time.

The Group's IR activities are as described in "2 Investor Relations activities" in "III. Implementation of Measures for Shareholders and Other Stakeholders".

【Principle 5.2, Supplementary principle 5.2.1　Establishing and Disclosing Business Strategies and Business Plan】

When establishing and disclosing business strategies and business plans, the Group will set forth its basic policies for earnings plan and capital policy to increase the shareholder value over the medium to long term after taking into consideration the costs of capital fully. We present the targets for earnings power and capital efficiency etc. adequately linked to its then important management agenda based on the situations the Group is then facing. In doing so, we intend to provide appropriate and logical explanation about business portfolio review as necessary or useful and allocation of management recourses etc. for delivery of those targets.

The Group announced the medium-term management plan, "2030 Vision: Shift the Phase" in May 2024.

In the medium-term management plan, the Group has set a goal for 2030 "To shift our company's phase and become vital in advancing a sustainable society". Focusing on our strengths, glass and related technologies, the Group aims to expand profits in high-value areas that contribute to the sustainable development of society.

Throughout this medium-term period, NSG Group is focused on enhancing profitability and increasing cash generation to improve its financial status. From this perspective, the Group has set the following financial targets for FY2027/3, and aims to achieve ROS 10% or more in FY2030/3.

・Operating Profit : 64.0 billion yen

・ROS : 7%

・Free cash flow : 27.0 billion yen

・Interest-Bearing Debt : 442.0 billion yen

・Shareholders' equity ratio : 15%

To achieve the above financial targets, the Group has set 4 "Ds" ("Business Development", "Decarbonization", "Digital Transformation", and "Diverse Talent) as our strategic pillars, and through the 4 "Ds" the Group will strive to reduce debt drastically and boost equity capital by improving profitability and reinforcing cash generation capabilities.

Details of the medium-term management plan "2030 Vision: Shift the Phase" are disclosed on our website.
https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtp2030presentation_e02.pdf

The Company will disclose the progress of the medium-term management plan at appropriate times.

【Taking actions to realize the company management with enhanced awareness of capital costs and stock prices】【English version available】【Date of update：28th June 2024】

In the medium term management plan "2030 Vision: Shift the Phase," the Group will strive to improve ROE and PER by focusing on optimizing financial leverage and enhancing valuation multiples through improvement of asset efficiency and reduction of interest-bearing debt, as part of our efforts to achieve PBR>1.

As for ROE, the Group will monitor ROE improvement as a reference indicator, aiming for 20% in FY2027/3, and will continue to prioritize projects and allocate resources in view of capital costs when developing business strategies and in their execution.

Details are disclosed in our medium-term management plan "2030 Vision: Shift the Phase" (page 36) on our website.
https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtp2030presentation_e02.pdf

2. Capital Structure [updated]

Percentage of Foreign Shareholders	20% or greater but less than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned (shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	14,252,000	15.57
MSIP CLIENT SECURITIES	2,534,019	2.76
BBH CO FOR ARCUS JAPAN VALUE FUND	2,009,000	2.19
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	1,942,500	2.12

Client stock ownership of Nippon Sheet Glass	1,638,878	1.79
J.P.MORGAN SECURITIES PLC	1,577,866	1.72
JP MORGAN CHASE BANK 385781	1,278,102	1.39
Custody Bank of Japan, Ltd. (Trust Account)	1,263,300	1.38
SBI SECURITIES Co.,Ltd.	1,142,267	1.24
SUMITOMO LIFE INSURANCE COMPANY	914,800	0.99

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

① The status of major shareholders is as of March 31, 2025.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March
Type of Business	Glass and Ceramics Products
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Sales (consolidated) as of the End of the Previous Fiscal Year	¥100 billion or greater but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	100 or greater but fewer than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

———

5. Other Special Circumstances which may have Material Impact on Corporate Governance

———

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Three Committees

[Directors] [updated]

Maximum Number of Directors Stipulated in Articles of Incorporation	No limit is defined.
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	External Director
Number of Directors	8

[External Directors] [updated]

Number of External Directors	6
Number of Independent Directors	6

External Directors' Relationship with the company (1)

Name	Attribute	Relationship with the company*										
		a	B	c	d	e	f	g	h	i	j	K
Hiroshi Ishino	External									△		
Kunihito Minakawa	External											
Shinji Asatsuma	External									△		
Tetsuya Fujioka	External											
Takehiro Kamigama	External											
Hideki Miyazaki	External											

* Categories for "Relationship with the Company"

* "○" when the Director presently falls or has recently fallen under the category;
"△" when the Director fell under the category in the past

* "●" when a close relative of the Director presently falls or has recently fallen under the category;
"▲"when a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive Director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director/*kansayaku*
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)
i. Executive of a company, between which and the Company outside Directors/*kansayaku* are mutually appointed (the Director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the Director himself/herself only)
k. Others

External Directors' Relationship with the Company (2)

Name	Membership of Committees	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Hiroshi Ishino	Nomination	○	Hiroshi Ishino served as President and Representative Director of Kansai Paint Co., Ltd. He is currently acting as an honorary advisor for Kansai Paint Co., Ltd. In addition, Keiji Yoshikawa, a former Director of the Company, was appointed as an External Director of Kansai Paint Co., Ltd from June 2018 to June 2024. He was appointed as a Director of Kansai Paint Co., Ltd after he retired as a Director of the Company and currently has no position in the Company. His appointment as an External Director of Kansai Paint Co., Ltd. and Hiroshi	Hiroshi Ishino was in charge of overseas operations at a major trading company, and since then has been promoting the Group's global strategy as President and CEO of a major international manufacturer. It is expected that he will contribute to the supervisory function of the Board and furthermore to the enhancement of the enterprise value of the Company including in overseeing performance of Executive Officers from an independent and objective standpoint

			Ishino's appointment as an External Director of the Company are based on the independent judgment of each company and are not mutual appointments, and do not affect Hiroshi Ishino's independence. Also, Shinji Asatsuma, a former Director of Kansai Paint, has been appointed as a Director of NSG. Both Asatsuma and Ishino meet the criteria of independency for External Director of the Company and have been notified to the TSE as Independent Directors. Both of them have been elected by the Nominating Committee as candidates based on the diversity of the Board of Directors in terms of their experience and specialized knowledge. They are expected to contribute to enhancing the Company's corporate value by supervising the performance of the Executive Officers and others from an independent and objective standpoint.	as well as based upon his abundant management experiences in global companies and broad knowledge and perspectives with regard to business transformation and business management from manufacturing to sales. Ishino has also been designated as Independent Director since he meets the independence standards of External Directors as defined by TSE and the Company's own independence standards as established in its "Independent Directors", and hence is not threatening to give rise to material conflict of interest with general shareholders of the Company.

Kunihito Minakawa	Nomination/ Compensation /Audit	○		Kunihito Minakawa was Managing Executive Officer and Audit & Supervisory Board Member at a major international manufacturer, and he was serving as Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner. He has global experience, a wide range of insights and practical experience in finance and auditing. He is expected to contribute to the supervisory function of the Board furthermore for the enhancement of the corporate value of the Company by overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies, broad knowledge and perspectives with regard to business management, and

				professional expertise on finance and accounting. Minakawa has also been designated as Independent Director since he meets the independence standards of External Directors as defined by TSE and the Company's own independence standards as established in its "Independent Directors", and hence is not threatening to give rise to material conflict of interest with general shareholders of the Company.
Shinji Asatsuma	Nomination/ Compensation /Audit	◯	Shinji Asatsuma served as Director, Senior Executive Officer of Kansai Paint Co., Ltd. In addition, Keiji Yoshikawa, a former Director of the Company, was appointed as an External Director of Kansai Paint Co., Ltd from June 2018 to June 2024. He was appointed as a Director of Kansai Paint Co., Ltd after he retired as a Director of the Company and currently has no position in the Company. His appointment as an	Shinji Asatsuma was in charge of accounting, finance, business strategy and overseas operations in a major international manufacturer and as a Director and Senior Executive Officer, he has been responsible for the overall business management, facilitating the formulation of business strategies and expanding overseas businesses. He is expected to contribute

			External Director of Kansai Paint Co., Ltd. and Shinji Asatsuma 's appointment as an External Director of the Company are based on the independent judgment of each company and are not mutual appointments, and do not affect Shinji Asatsuma's independence. Also, Hiroshi Ishino, a former Director and a current honorary advisor of Kansai Paint, has been appointed as a Director of the Company. Both Ishino and Asatsuma meet the criteria of independency for External Director of the Company and have been notified to the TSE as Independent Directors. Both of them have been elected by the Nominating Committee as candidates based on the diversity of the Board of Directors in terms of their experiences and specialized knoeledge. They are expected to contribute to the enhancement of the Company's corporate value by supervising the	to the enhancement of NSG's corporate value by providing advice to and supervising the performance of the Executive Officers and others from an independent and objective standpoint based upon his abundant management experiences in global companies and broad knowledge and perspectives with regard to finance, accounting and risk management. Asatuma has also been designated as Independent Director since he meets the independence standards of External Directors as defined by TSE and the company's own independence standards indicated in its "Independent Directors", and hence is not threatening to give rise to material conflict of interest with general shareholders of the Company.

			performance of the Executive Officers and others from an independent and objective standpoint.	
Tetsuya Fujioka	Audit	○		Tetsuya Fujioka possesses extensive experience in finance and auditing. He served as General Manager of the Corporate Finance Division at a major international manufacturer and as CFO of its European subsidiary, where he led structural reforms across that corporate group. He later held the position of Internal Auditor at the parent company and currently serves as an External Auditor at another major manufacturing company. It is expected that he will contribute to the enhancement of our corporate value by advising the executive team and overseeing the performance of Executive Officers from an independent and objective standpoint, drawing from his

				extensive executive management experience in global companies and his professional expertise in finance and accounting. Fujioka has also been designated as Independent Director since he meets the independence standards of External Directors as defined by TSE and the company's own independence standards indicated in its "Independent Directors", and hence is not threatening to give rise to material conflict of interest with general shareholders of the Company.
Takehiro Kamigama	Nomination/ Compensation	○		Takehiro Kamigama previously led global business expansion as the head of a business unit at a major international manufacturer. He later served for many years as a Representative Director, where he drove structural reforms and growth strategies across that corporate group. He

				currently serves as an External Director at major manufacturers and a leading telecommunications company, contributing to the oversight of corporate management. It is expected that he will contribute to the enhancement of our corporate value by advising the executive team and overseeing the performance of Executive Officers from an independent and objective standpoint, drawing from his extensive executive management experience—including leadership roles in global companies—and his broad expertise in the field of technology. Kamigama has also been designated as Independent Director since he meets the independence standards of External Directors as defined by TSE and the company's own independence standards indicated in its

				"Independent Directors", and hence is not threatening to give rise to material conflict of interest with general shareholders of the Company.
Hideki Miyazaki	Nomination/ Audit	○		Hideki Miyazaki held key positions at a major securities firm, primarily within its overseas operations. He later served as CFO at a leading international manufacturer, where he spearheaded structural reforms. Subsequently, he served as Director and Vice President, overseeing the management of that corporate group. He then assumed the role of CFO at another prominent global manufacturing company, where he continued to lead business structural reforms. It is expected that he will contribute to the enhancement of our corporate value by advising the executive team and overseeing the performance of Executive Officers from

				an independent and objective standpoint, drawing from his extensive executive management experience at global companies and his broad expertise in finance, capital, and business structural reform. Miyazaki has also been designated as Independent Director since he meets the independence standards of External Directors as defined by TSE and the company's own independence standards indicated in its "Independent Directors", and hence is not threatening to give rise to material conflict of interest with general shareholders of the Company.

[Committees] [updated]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	External Directors	Chairperson
Nomination Committee	6	0	1	5	External Director
Compensation Committee	4	0	1	3	External Director
Audit Committee	4	0	0	4	External Director

[Executive Officers (Shikkoyaku)] [updated]

Number of Executive Officers (Shikkoyaku)	13

Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Munehiro Hosonuma	Yes	Yes	○	○	No
Shigeki Mori	No	No	×	×	No
Denise Haylor	No	Yes	×	×	No
Hiroshi Aiura	No	No	×	×	No
Leopoldo Garces Castiella	No	No	×	×	No
Hisashi Okamoto	No	No	×	×	No
Rob Purcell	No	No	×	×	No
Masaki Kambayashi	No	No	×	×	No
Michael Kiefer	No	No	×	×	No
Shiro Kobayashi	No	No	×	×	No
Yohei Nakatsuji	No	No	×	×	No
Kevin Sanderson	No	No	×	×	No
Iain Smith	No	No	×	×	No

[Auditing Structure] [updated]

Appointment of Directors and/or Staff to Support the Audit Committee	Appointed

Matters Related to the Independence of Such Directors and/or Staff from Executive Officers (Shikkoyaku)

The Audit Committee Office is set up to assist the Audit Committee and as many staff members as necessary are assigned to the Office. Assignment of such staffs is reported to the Audit Committee in advance for its members' consent. The head of the Audit Committee Office stays outside the executive management and follows only the Audit Committee's chain of command.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

The Audit Committee holds a meeting with the Accounting Auditor and the Group Internal Audit regularly and as necessary to receive reports on audits, exchange opinions and gather information.
Group Internal Audit implements audits on a group basis and adoption and any amendments of internal audit charter of the Group providing for the audit plans and the role, duties and responsibilities of Internal Audit Function as well as appointment or dismissal of the Head of Group Internal Audit require the prior consent of the Audit Committee.
Under the resolution of the Board of Directors regarding the matters listed in Article 416, Paragraph 1, Items 1(b) and 1(e) of the Companies Act and based on the internal control system established in accordance with such resolution, Group Internal Audit performs internal audits across Group in collaboration with the Audit Committee and the Accounting Auditor through regular meetings with them and by conducting site visits in accordance with the annual audit plan agreed on by the Audit Committee. Group Internal Audit reports audit results to the Audit Committee, Executive Officers, and Accounting Auditor.

[Independent Directors] [updated]

Number of Independent Directors	6

Matters relating to Independent Directors

In determining the independence of the independent outside Directors, the Company has taken into consideration the independence criteria for outside Directors established by the Tokyo Stock Exchange and has its own independency standards for external Directors as follows, in consideration of the relationship with the Group, its officers, and major shareholders.

<Criteria of Independency for External Director in the Company>
External Directors of the Company falling into any of the following categories are considered to lack independency as an external Director.
(1) As to the External Director him/herself, where:-
a) He/she is, has become or once served as an executive Director, executive officer, corporate officer or employee of the NSG Group (hereinafter collectively referred to as

"Executive/Employee");

b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended or (in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as Executive/Employee of the organization), or NSG Group is a Major Business Partner for him/her/it

- Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year

; OR,

ii) he/she has a business relationship with the Company and paid the Company the following sum during the Company's any single financial year of those past three years most recently ended, or he/she is a Major Business partner of the NSG Group (or in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as Executive/Employee of the organization);

- Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year

Note: For the purpose of this criteria protocols, the expression "Major Business Partner(s)" means, as between the NSG Group and the group having business relationship with us, those persons which could be, in terms of magnitude of its business relationship, expected to exert the same degree of influence on the decision-making process of the other as would exist among parent-subsidiary relationship or affiliated group.

c) He/she is a Certified Public Accountant retained as Accounting Auditor for the Company (or in case the accounting firm is retained as Accounting Auditor then he/she serves as partner or employee of the firm) or he/she has engaged in any audit activities of the NSG Group businesses at any time during the past three years;

d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (or in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she belongs to any such organization);

e) He/she has material business relationship with or material interest in the NSG Group (or in case where an organization such as legal entity has such relationship or interest, he/she is an Executive/Employee of the organization) (For this purpose, the

fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the immediate past three financial years of the Company is deemed to constitute such material interest in the NSG Group);

f) He/she holds cross-Directorships or has significant links with other Directors/Executive Officers of the Company through involvement in other companies/bodies;

g) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (or in case where the organization such as legal entity falls into such a shareholder, then he/she currently is or was employed as an Executive/Employee of the organization at any time during the past five years); or

h) any individual who has fallen under d), e) or f) above during the Company's any single financial year of those past three financial years most recently ended.

(2) As to the close relative(s) of the External Director (his or her spouse, or relative (s) within the second degree of kinship or who lives in the same residence), where:-

a) He/she is or was in the past five years an executive Director/officer or senior employee of the NSG Group (hereinafter collectively referred to as "Senior Manager");

b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended (in case where the organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager thereof), OR the NSG Group is a Major Business Partner for him/her/it

- Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year

; OR

ii) He/she has a business relationship with the Company and paid the Company the following sum in any single financial year of the Company during its past three years most recently ended, or is a Major Business Partner of the NSG Group (in case where an organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager of the organization);

- Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year

c) He/she is a Certified Public Accountant retained as an Accounting Auditor (or in case

the accounting firm is retained as Accounting Auditor then he/she is a partner or Senior Manager thereof) or has engaged in any audit activities of the NSG Group businesses at any time during the past three years;

d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she serves as partner, associate or Senior Manager of the organization);

e) He/she has material business relationship with or is materially interested in the NSG Group (in case where an organization such as legal entity has such relationship or interest, then he/she is a Senior Manager of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);

f) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (in case where the organization such as legal entity falls into such a shareholder, then he/she currently serves as Senior Manager of the organization); or

g) He/she has fallen into either or both of d) and/or e) at any time during the past three financial years of the Company most recently ended.

The Company designates all external Directors who meet the qualification as Independent Director as such.

[Incentives]

Incentive Policies for Directors and/or Executive Officers (Shikkoyaku)	Implementation of a performance-linked incentive scheme and Restricted Shares compensation plan and others

Supplementary Explanation

For details of performance-linked compensation, please refer to the "The system of annual Performance-linked compensation (bonus) plan" and the "Long-term incentive plan" in the "Disclosure of Policy on Determining Compensation Amounts and Calculation Methods" below. In addition, in May 2020, we introduced Restricted Shares compensation plan for executive officers who have been assigned to Japan.

Recipients of Stock Options	Executive Officers

Supplementary Explanation

Executive Officers , who are retained or employed pursuant to the terms of appointment in place in Japan. No new issuance has been made due to the introduction of Restricted Shares compensation plan since 2020.

[Compensation for Directors and Executive Officers (Shikkoyaku)] [updated]

Disclosure of Individual Directors' Compensation	Partial disclosed
Disclosure of Individual Executive Officers' (Shikkoyaku) Compensation	Partial disclosed

Supplementary Explanation

【Disclosure status】

Amount of Compensation for Directors and Executive Officers

<Amount of Compensation for Directors and Executive Officers

① Targets and results of performance measures for the performance-linked compensation related to the financial year ended in March 2025 (The FY2025)

A FY25 Management Incentive Plan (annual bonus)]

In line with the Policy of Directors and Executive Officers Compensation, the Company operates an annual incentive plan. The table below summarises the performance measures, annual targets and results for the financial year FY2025.

A) Performance measures and targets & results

(i) CEO, CFO and Kaicho

Element	Ratio	Target	Maximum	Results	Payment rate against measure
Group Management Operating Profit	50%	41,570 Million JPY	47,810 Million JPY	Entry point not met	0%
Group Free Cash Flow	50%	10,000 Million JPY	15,000 Million JPY	Entry point not met	0%

Note: Group Free Cash Flow used in the above table represents the net debt movement arising as a consequence of the operating and investing activities in the period. It includes transactions that have impacted the Group's net debt even where there has been no cash movement through

an NSG Group bank account, and is therefore different to the Free Cash Flow as derived from the sum of operating and investing activities included within the Group's consolidated statement of cash flows. Group Operating Profit shown in the above table is defined as being operating profit stated post-amortization before exceptional items on a consolidated basis plus share of income from the Cebrace JV. The actuals for these KPIs are the subject-matter of review and confirmation by the Compensation Committee.

(ii) EO other than CEO, CFO and Kaicho

Element	Ratio	
	Executive Officers who are mainly responsible for specific Global SBUs	Executive Officers who are mainly responsible for specific group functions
Group Management Operating Profit	35%	35%
Group Free Cash Flow	35%	35%
Global SBU Management Operating Profit	In relation to the results of specific SBUs they are responsible for, constituting 15% in total	In relation to the results for every of SBU of the Group, constituting 15% in total
Global SBU Cash Flow from Operations	In relation to the results of specific SBUs they are responsible for, constituting 15% in total	In relation to the results for every of SBU of the Group, constituting 15% in total

Note: Performance targets are set for each global SBU.

B) Determination of Management Incentive Plan (annual bonus) Payment Level

(i)Judgment of the Gate

A Gate mechanism operates for the plan, which is based on a minimum level of Net Income that must be reached, as an affordability threshold before considering payment based on achievement against the different performance measures.

If the Gate is met, payment is made based on payment rate against the performance measures. In the event that the Group Gate is not met, any achievement against the NSG Group Financial measures is forfeit and a second gate relating to achievement of target Management Operating Profit is applied to the Global SBU financial elements. If the target level of the Global SBU's Management Operating Profit is achieved, half of any payment achieved is paid only for the Global SBU Management Operating Profit and the Global SBU Cash Flow from Operations elements.

The Net Income Gate for FY2025 plan has not been achieved. As a result, there will be no payment for the NSG Group financial performance measures. Payments will be made at 50% of the achievement rate for Global SBU performance measures that achieved the target level of the Global SBU management Operating Profit.

(ⅱ)Method of calculation

- Payment Level＝Maximum payment amount × Payment rate of Performance measures
- Due to the Gate for FY2025 plan not being achieved, Payment rate of performance measures for EOs who have Global SBU performance measures in their plans that achieved the target level of the Global SBU
  Management Operating Profit measure = Payment rate of Global SBU Management Operating Profit x 15% x 50% + Payment rate of Global SBU Cash Flow from Operations x 15% x 50%

C) Payment level in the FY2025

- There will be no payment for the CEO, CFO and Kaicho, who have only Group financial performance measures, because the Group Gate has not been achieved.
- For Executive Officers other than CEO, CFO and Kaicho, as a result of calculating the pay rate of performance measures by using 50%s of the achievement rate for each of the Global SBU Management Operating Profit measure and Cash Flow from Operations measure, results range between 0% to 12% of the maximum annual bonus payment amount.

B The long-term incentive plan for the three-year evaluation period ("LTIP") with the financial year ended in March 2025 (the FY2025)

A) Performance measures and targets & results

Measures	Ratio	Entry	Maximum	Result	Payment rate against measure
EPS during the evaluation period (April 2022 to March 2025)	75%	187 JPY	431 JPY	Entry point not met	0%
Free Cash Flow	25%	30,000 Million JPY	61,900 Million JPY	39,900 Million JPY	42.8%

* Note: The net income used for EPS calculation is the adjusted one such that the deduction of the amount equivalent to the preferred share dividends etc. are excluded.

For the Executive Officers other than CEO and Kaicho, the EPS measure is evaluated not only the achievement of the three-year performance targets, but also the achievement of the targets to be achieved in the first year and the cumulative first and second years, and the highest payment rate is applied.

Measures	Evaluation Period	Maximum applicable % for the plan	Entry	Maximum	Result	Achievement rate
EPS during the evaluation period	FY2023	25%	22.6 JPY	80.2 JPY	109.9 JPY	100%
	FY2023 & FY2024 Cumulative 2 year	50%	70.8 JPY	216.0 JPY	205.5 JPY	94.28%

B) Determination of LTIP Payment Level

<Method of calculation>

- LTIP Payment Level = Maximum payment amount × Payment rate of Performance measures × Share price movement rate
- Payment rate of performance measures = Payment rate of "EPS measure" x 75% + Payment rate of "Free Cash Flow measure" x 25%

C) Payment level for FY2025

- The entry point of "EPS over three years" measure in the long-term incentive Plan ("LTIP") for the three-year evaluation period with the financial year ended in March 2025 has not reached the "Entry" point on the scale and therefore there is no payment for this performance measure to the CEO and Kaicho.
- For Executive Officers other than CEO and Kaicho, the three-year cumulative EPS result has not met the entry point on the scale. The plan also contained a cumulative 2 year scale for which the entry point was met, leading to a payment rate of 47.1% for this element of the plan.
- The plan contained a second performance measure "Cumulative Free Cash Flow". The cumulative free cash flow achieved during the 3 year performance period was 39,900 million JPY, this exceeds the "Entry" point on the scale, resulting in a payment level of 10.7% for this element of the plan.
- The share price movement rate during the performance period of the plan was 99.8%, which resulted in the final payment level for CEO and Kaicho being 10.7% of the

maximum LTIP potential and for Executive Officers other than the CEO and Kaicho being 57.7% of the maximum LTIP potential.

② Amount of Compensation for Directors and Executive Officers paid by Nippon Sheet Glass Company, Limited (NSG)

The amounts shown in the table below are payments earned in respect of the Groups Financial Year from 1st April 2024 to 31st March 2025, and those paid, or clearly expected to be paid during the said period, by NSG.

Category	Headcount	Compensation (million Yen)					
		Basic Salary	Performance -linked compensation			Non-monetary compensation	Total
			Annual bonus	Long-term incentive pay	Subtotal	Stock compensation	
Directors who do not concurrently serve as Executive Officers (External Directors)	5	76	-	-	-	-	76
Executive Officers	9	238	3	44	47	48	333

Notes:

(1)The amounts shown for Directors who do not concurrently serve as Executive Officers relate to all compensation paid to Hiroshi Ishino, Jörg Raupach Sumiya, Kunihito Minakawa, Shinji Asatsuma and Eriko Sakurai.

(2)The amounts shown for Executive Officers relate to all compensation paid or to be paid to Munehiro Hosonuma, Shigeki Mori, Koichi Hiyoshi, Hisashi Okamoto, Akihito Okochi, Masaki Kambayashi, Shiro Kobayashi, Kumi Nakamura and Yohei Nakatsuji.

(3)In addition to the amounts shown in this table which are amounts paid by NSG, additional amounts were paid to other Executive Officers by subsidiaries of the Company, and these are shown in table 4 below.

(4)Amounts shown relate to the periods for which the office of Director and Executive Officer was held.

(5)The data for Directors and Executive Officers includes those who retired during the Group's Financial Year from 1st April 2024 to 31st March 2025.
(6)The data for Directors and Executive Officers includes those who assumed office during the Group's Financial Year from 1st April 2024 to 31st March 2025.
(7)The Performance-linked compensation in the table are the Annual Bonus for the year from April 2024 to March 2025 (FY2025) and the Long-Term Incentive Plan covering the three financial years from April 2022 to March 2025.
(8)Non-monetary Compensation for Executive Officers are an amount for a total of 110,500 Restricted Shares allotted to eight Executive Officers.

③ Disclosure of individuals earning equal to or in excess of JPY 100 million
This is not listed because there is no corresponding person.

④ Amount of Compensation for Executive Officers paid by subsidiaries

Category	Headcount	Compensation (million Yen)							
		Basic Salary, etc.	Performance -linked compensation			Non-monetary compensation			Total
			Annual bonus	Long-term incentive pay	Subtotal	Stock compensation	Other benefits	Subtotal	
Executive Officers	7	360	5	95	100	-	20	20	481

Notes:
(1)The amounts shown relate to all compensation paid or to be paid to Leopold Graces, Rob Purcell, Phil Wilkinson, Mike Greenall, Denise Haylor, Michael Kiefer and Iain Smith as Executive Officers, by the subsidiaries of the Company which has direct privity of contract with them in the form of a certain services contract. The Company has not directly paid for such compensations, but all of which have been reviewed and approved by the Compensation Committee of the Company.
(2)Amounts shown relate to the periods for which the office of Director and Executive Officer was held.
(3)The data for Executive Officers includes those who retired during the Group's Financial Year from 1st April 2024 to 31st March 2025.
(4)Basic salary, etc. includes basic salary for Executive Officers and allowances for certain Executive Officers.

(5)The Performance-linked compensation in the table is the Annual Bonus for the year from April 2024 to March 2025 (FY2025) and the Long-Term Incentive Plan covering the three financial years from April 2022 to March 2025.
(6)Other Benefits include pension fund contributions, healthcare provision, transport, accommodation costs and so forth.
(7)Where amounts in UK sterling and EURO and Brazilian Real have been converted to Japanese Yen this has been done at an average exchange rate for the year of GBP1:194.0JPY, EUR1: 163.0JPY and BRL1: 27.1JPY respectively.

Policy on Determining Compensation Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

<Principles of Compensation for Directors and Executive Officers>

1. Organization & Responsibilities for determining Compensation

The company has in place the statutory Compensation Committee (the "Committee") as adopting a "Company with Committees" structure. No member of the Committee is allowed to be present when matters relating to their specific compensation are being discussed.

Role	Compensation Committee is responsible for making decisions on a compensation policy for Directors and Executive Officers as well as individual elements of compensation for Directors and Executive Officers. The Committee may also give recommendation or advice to the Representative Executive Officer, President and CEO on the policies and details with respect to compensation for the Group's senior management other than Directors and Executive Officers, keeping a consistency with the policy of 3. Below.
Composition	・3 Independent External Directors and 1 Director who concurrently serves as Representative Executive Officer ・Chaired by Shinji Asatsuma, Independent External Director
Secretariat	Company Secretary Department
Remuneration Expert	Human Resources Department

2. Activities of the Committee in Compensation related Decision-Making Process

・ During FY2025, the Committee met on five(5) occasions, and Attendance rate was 100%, all

members attended all Compensation Committee meetings. The Committee reviewed the executive incentive compensation structure based on global executive compensation trends, and resolved the individual amount of basic salary, the performance indicators and method for determining the payment amount of incentives (performance linked compensation), and the actual payment amount based on the achievement against the previous year's indicators. And also, the Committee resolved a plan to allot restricted shares to certain qualified Executive Officers under Japanese employment terms as a retirement benefit. Accordingly, the number of restricted shares to be issued to the relevant, individual Executive Officers is determined.

- The Compensation Committee gave its final approval to the individual compensation for Directors and Executive Officers for the year ended in March 2025 after confirming that it is consistent with the basic policy on compensation as detailed in ③ and ④.

3. Compensation Policy for Executive Officers

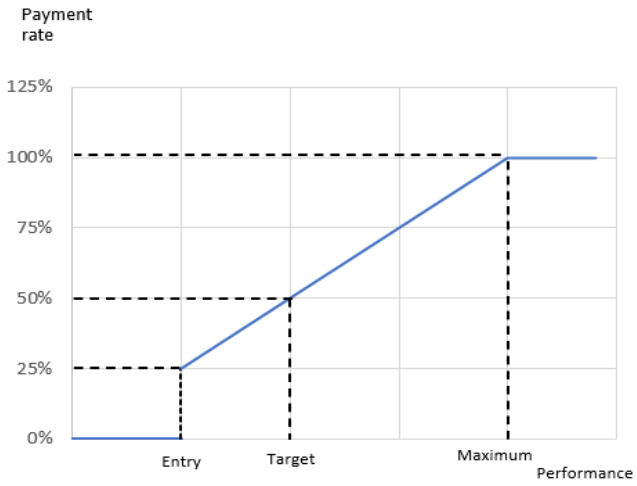
A. Compensation System and Compensation Composition Ratio

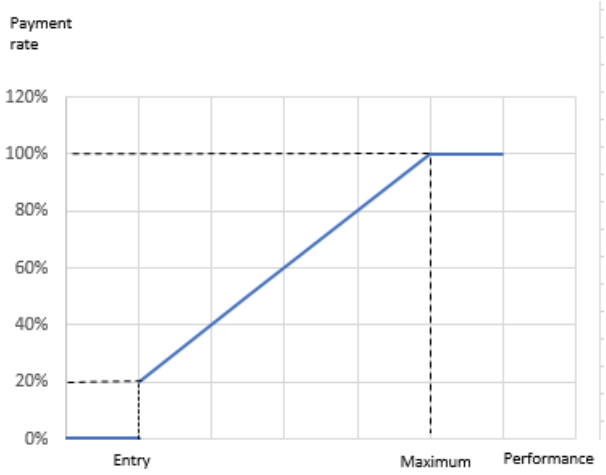
Compensation packages for the Executive Officers principally consist of basic salary, Management Incentive Plan (annual bonus) and Long- term Incentive plan.

The Group operates a global grading structure across the Group, and management grade is determined based on job evaluation by the Group common scale using the Korn Ferry/HAY management grade methodology, a globally recognized job evaluation methodology. Management grade determines the maximum quantum levels for participants in both the annual and long-term incentive structures.

A) Compensation System

Objectives	・To ensure that packages of employment terms and conditions are market competitive and designed in such a way as to attract, retain and motivate Executive Officers of the highest calibre on a worldwide basis in an international business. ・To ensure that each individuals basic salary and incentives are aligned with the performance of the Group and the interests of shareholders, as well as reflecting the commitment and achievements of the individuals concerned.		
Composition and Details	Fixed salary	Basic salary	・Salaries are reviewed annually and are broadly aligned with market medians for a global business. ・In determining what are the appropriate market rates, account is taken of turnover, number of employees and the complexity and breadth of internationalization. ・In reviewing salaries, account is also taken of the scope and responsibilities of the role, the performance of the individual, the

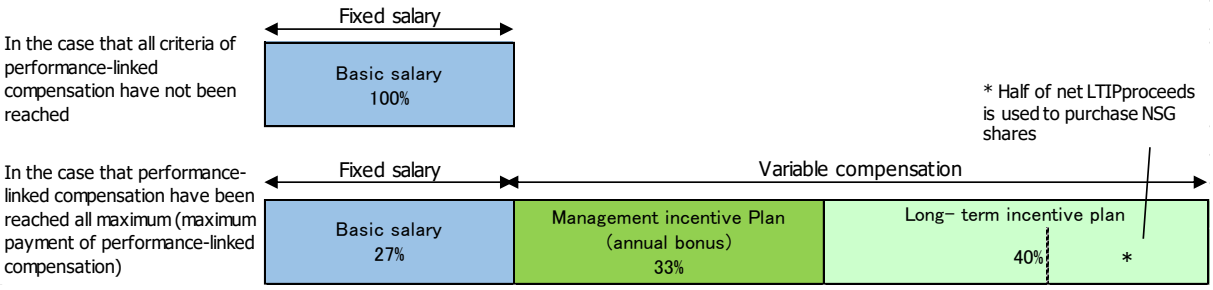
			progress the Company is making against its targets and pay increase rate in market medians.
	Performance-related compensation	Management Incentive Plan (annual bonus)	・Assessed against the achievement of annual performance indicators which are mainly financial. ・Aligned to NSG Group's Medium-Term Plan ・Payment Maximum levels: Ranging between 40% and 125% against each individual's basic salary dependent upon the management grade ・Payment Level＝Maximum payment amount × Payment rate of Performance measures ・A Gate mechanism operates for the plan, which is based on a minimum level of Net Income that must be reached, as an affordability threshold before considering payment based on achievement against the different performance measures. ・For each performance measure, a scale is set consisting of a minimum performance level ("Entry") for ensuring that the business is meeting the minimum standard of financial performance, "Target" and a maximum value for stipulating the upper limit of annual bonus payments "Max", scales are based around the annual budget for the financial year. 

		Long- term incentive plan	・Assessed against the achievement of long-term performance indicators over a three-year period ・Issued annually ・Payment Maximum levels: Ranging between 50% and 150% against each individual's basic salary dependent upon the management grade ・LTIP Payment ＝Maximum payment amount×Payment rate of Performance measures × Share price movement rate ・For each measure, "Entry" is set in such a way to ensure that the business is meeting the minimum required performance level and the "Maximum" point on the scale has appropriate stretch.  ・Require the purchase of NSG Shares by using part of the cash award from the plan to lead to further alignment of the Executive Officers with shareholders, allowing Executive Officers to continue to be motivated to help build shareholder value ・Shareholding targets set for Executives ・Plans contain Malus (ability for the value of award to be reduced after it has been granted but before it has vested) and Clawback clauses (ability for the Group to require the participants to repay the value they received after the award has vested). The Group can exercise these provisions if one of a list of trigger events occurs. Trigger events include the Misstatement of results, an error that causes an award to be paid at too high a level, a serious illegal act, or a material breach of the Group Code of Ethics.
	Stock Compensation		・ Restricted shares are issued annually to Executive Officers under Japanese employment terms as a retirement saving plan.

B) Compensation ratio

The ratio of basic salary and incentives is, rather than specifically and equally applied, set according to individuals' management grades.

(CEO's compensation ratio)



Note: For clarification, the above diagram includes only base salary plus annual and Long-term incentive plan compensation, no additional benefits are included. In addition, the impact of the share price movement element of the Long-term incentive plan is not taken into account.

4. Compensation Policy for Independent External Directors

Objectives	・To ensure that independent external directors can adequately and effectively fulfill their supervisory roles ・To ensure that they have the capability and experience required to fulfill this role
Compensation level	・Set at the appropriate level based on comparisons with other companies using benchmark data provided by specialist external advisers.*
Compensation Structure	・Only Basic salary ・Not eligible for Management incentive plans (annual bonuses) and Long-term incentive plans ・Independent External Directors receive additional reward if they act as Chair at either the Board or any of the Committees.

<Targets of performance measures for performance-linked compensation>

A. FY2026 Management Incentive Plan (annual bonus)

A) Performance measures and weight

Element	CEO, CFO, CHRO and Kaicho	Executive Officers other than CEO, CFO, CHRO and Kaicho, who are mainly responsible for specific Global SBUs	Executive Officers other than CEO, CFO, CHRO and Kaicho, who are mainly responsible for specific group functions
Group Management Operating Profit	50%	35%	35%
Group Free Cash Flow	50%	35%	35%
Global SBU Management Operating Profit	–	In relation to the results of specific SBUs they are responsible for, constituting 15% in total	In relation to the results for every of SBU of the Group, constituting 15% in total
Global SBU Cash Flow from Operations	–	In relation to the results of specific SBUs they are responsible for, constituting 15% in total	In relation to the results for every SBU of the Group, constituting 15% in total

＊Note: SBU means each "Strategic Business Unit" of the Group

B) Reasons for selecting the measures

Measures	Reasons
Group Management Operating Profit	Ensure alignment with delivery of the target numbers assigned to Group operating profit and cash flow which are the financial performance indicators specifically important to the annual budget
Group Free Cash Flow	
Global SBU Management Operating Profit	For Executive Officers who are mainly responsible for specific SBU or group function, ensure working together to achieve the targets numbers of the entire group as an Executive and also exercising the leadership within each SBU/Function to deliver annual target numbers of each SBU
Global SBU Cash Flow from Operations	

Note: Group Free Cash Flow used in the above table represents the net debt movement arising as a consequence of the operating and investing activities in the period. It includes transactions that have

impacted the Group's net debt even where there has been no cash movement through an NSG Group bank account, and is therefore different to the Free Cash Flow as derived from the sum of operating and investing activities included within the Group's consolidated statement of cash flows. Group Operating Profit shown in the above table is defined as being operating profit stated post-amortization before exceptional items on a consolidated basis plus share of income from the Cebrace JV. The actuals for these KPIs are the subject-matter of review and confirmation by the Compensation Committee.

C) Determination of Management Incentive Plan (annual bonus) Payment Level

- Payment Level＝Maximum payment amount × Payment rate of Performance measures
- Payment rate of performance measures

(i) CEO, CFO, CHRO and Kaicho

payment rate of performance measures = Payment rate of Group Management Operating Profit measure x 50% + Payment rate of Group Free Cash Flow measure x 50%

(ii) EO other than CEO, CFO, CHRO and Kaicho

payment rate of performance measures = Payment rate of Group Management Operating Profit measure x 35% + Payment rate of Group Free Cash Flow measure x 35% + Payment rate of Global SBU Management Operating Profit measure x 15% + Payment rate of Global SBU Cash Flow from Operations measure x 15%

・If the Gate is met, payment is made based on payment rate against the performance measures. Even if the Gate is not met, if the target level of the Global SBU's operating profit is achieved, 50% of the payment rate achieved is paid only for the Global SBU Management Operating Profit and the Global SBU Cash Flow from Operations

B. Long-term incentive plan

A) Performance measures, weight and reasons for selected the measures of plans currently in operation

(i) The Plan commencing in FY2024 (Target period : FY2024, FY2025 and FY2026)

(ii) The Plan commencing in FY2025 (Target period : FY2025, FY2026 and FY2027)

Performance Measures	Ratio	Reasons for selected the measures
EPS	60%	Two performance measures ensure clear link with the Medium-Term Plan, incentivising executives to improve restoration of financial stability and enhance shareholder value.
Free Cash Flow	40%	

B) Determination of LTIP Payment Level

・LTIP Payment ＝Maximum payment amount×Payment rate of Performance measures×Share price movement rate

・Payment rate of performance measures

= Payment rate* of "EPS measure" x 60% + Payment rate of "Free Cash Flow" measure x 40%

* Incorporating the degree of achievement of the targets to be achieved in the first and the second years to achieve the performance target for the three years

・The share price movement rate is a coefficient that is linked to the price movements of the Company's share price for the three-year period covered by each plan, and is adjusted based on the price movement of the monthly average share price in the month before the start of the plan and the monthly average share price of the last month of the plan. The share price movement rate is subject to an upper and lower limit of 20%.

【Supporting System for External Directors】

Secretariats are in place for the Board of Directors and the three Committees of Nomination, Audit and Compensation respectively to support External Directors. Each of such secretarial staff is tasked to deliver papers and give a brief on the matters in advance, provision of various information and assist in other activities of the Directors, with a view towards facilitating the External Directors to participate in discussion of the Board and each of three Committees in an effective and active manner.

【Status of those who retired from the President and Representative Director】 [updated]

Other matters

The NSG Group does not have a system of Executive Advisor, but although we do have a system of Honorary advisor, there are no individuals currently eligible for this position.

Based on the request of the CEO, Honorary advisor engages in external activities such as business activities including participation in industry groups. They do not attend conference bodies related to business execution , they are not granted access authority to information related to management, nor do they participate in any management decisions.

In 2018, the NSG Group abolished the senior advisory system and revised the honor advisory system. In the future, We may make the president / chairman experienced as honorary advisor only when CEO judges it is necessary. In addition, Outside Directors are involved in the election and compensation of honorary advisor, the overall scheme.

As a general rule, there is no payment for honorary advisers.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System) [updated]

1. The Company's governance structure

【Outline of the governance structure】

On 27 June 2008, the NSG Group transitioned its governance structure from a Company with Statutory Auditors to a Company with Committees (currently a Company with Three Committees). Currently, the company has the following statutory corporate organizations in place: the Board of Directors; the Nomination Committee, comprising five (5) Independent External Directors who constitute the majority; the Compensation Committee, comprising three (3) Independent External Directors who constitute the majority; the Audit Committee, consisting solely of four (4) Independent External Directors; and Executive Officers appointed by the Board of Directors; as well as the Management Committee, the Sustainability Committee, and the Strategic Risk Committee, which mainly consist of Executive Officers. The following is a summary of each meeting held and attended during the fiscal year 2025.

Individual	Position	Board of Directors	Nomination Committee	Audit Committee	Compensation Committee
Hiroshi Ishino	External Director (Chairperson of the Board of Directors, Chairperson of the Nomination Committee)	100% (7/7)	100% (8/8)	100%(Note 1) (3/3)	100%(Note 1) (1/1)
Jörg Raupach Sumiya	External Director (Chairperson of the Compensation Committee)	100% (7/7)	100% (8/8)	100% (11/11)	100% (5/5)
Kunihito Minakawa	External Director (Chairperson of the Audit Committee)	100% (7/7)	100% (8/8)	100% (11/11)	100% (5/5)
Shinji Asatsuma	External Director	100% (7/7)	100% (8/8)	100% (11/11)	100% (5/5)
Eriko Sakurai	External Director	100% (7/7)	100%(Note 2) (6/6)	—	100%(Note 2) (4/4)

Munehiro Hosonuma	Director, Representative Executive Officer, President and CEO	100% (7/7)	100% (8/8)	—	100% (5/5)

(Note 1) As Hiroshi Ishino retired from the Audit Committee and the Compensation Committee on 26 June 2024, the above indicates the number of meetings held and his attendance prior to his retirement.

(Note 2) The above indicates the number of meetings of the Nomination Committee and the Compensation Committee since Eriko Sakurai appointment as these committee members on 26 June 2024, and her attendance at these meetings.

【The Board of Directors】

The Board of Directors is currently composed of eight (8) Directors (of whom six (6) are Independent External Directors). The Board is responsible for deciding the basic policies for business management and internal control, segregation of duties among Executive Officers, and other important management decisions, as well as supervising execution of duties by Executive Officers. The Chairperson of the Board is Hiroshi Ishino, Independent External Director. The Company Secretary Function serves as a secretariat to support the Board of Directors. The Board meeting was held seven (7) times in the fiscal year 2025. The attendance rate of Directors at Board meetings was 100%.

The main items for discussion, consideration, and deliberation at the Board of Directors meetings for the fiscal year 2025 are as follows.

- To ensure that Directors exercise their supervisory functions with a shared understanding, the Board developed the "Board of Directors Charter". The Charter outlines, among other things, the basic stance and expectations for the Board to address the Group's current circumstances. It was deliberated and approved in May 2024.
- In alignment with the "Board of Directors Charter", the Board conducted ongoing monitoring and held focused discussions at each meeting regarding the Executive initiatives aimed at addressing the "Key Management Issues" identified for FY2025, including those related to cash generation and organization/talent enhancement.
- To support the realization of "proactive oversight" as defined in the "Board of Directors Charter" from an operational perspective, the Board deliberated and approved revisions to the "Criteria for Agenda Items of Board of Directors".
- The Board received reports from the Sustainability Department on the materiality targets set forth in the Medium-term Management Plan and their progress, and reviewed key sustainability issues.

・ To enhance the Group's internal control system, the Board deliberated and approved revisions to the "Fundamental Policy on Creation of Effective Internal Control System of the Group". The Board also received and reviewed reports on the implementation status of the internal control system and the management status of material Group entities.

【Nomination Committee】

The Nomination Committee is in charge of deciding the details of proposals concerning the appointment or removal of Directors to be submitted to the General Meeting of Shareholders, and also provides recommendations or advice with regard to candidates for Executive Officers. The Nomination Committee is chaired by Hiroshi Ishino, Independent External Director, and is composed of six (6) Directors including the Chairperson, five (5) of whom are Independent External Directors. The Company Secretary Department serves as its secretariat providing support as necessary. In addition, members of the Human Resources Department assist the Committee as internal experts on matters of personnel affairs. The Committee gathered eight (8) times in the fiscal year 2025.

All Committee members attended all Committee meetings, with 100% attendance.

The main items for discussion, consideration and deliberation at the Nomination Committee for the fiscal year 2025 are as follows.

・ The Nomination Committee discussed and resolved the proposal to the shareholders' meeting on the election of Directors, as well as the criteria for Director candidates and candidates for Executive Officers.

・ The Nomination Committee deepened its discussions on Future Composition of Directors and External Director Candidates Search in view of the term of External Directors.

・ The Nomination Committee deepened its discussions on succession plans for CEO and other Executive Officers and enhancement of the candidate recommendation process for Executive Officers.

Month and Year of Meeting	Main Items for Discussion
May 2024 (Held twice)	Key Senior Management Succession Appointment/Dismissal process of Executive Officers Policies for the appointment of the nomination of the director candidates Future Composition of Directors
June 2024	Senior Management Succession
August 2024	External Director Candidates Search

September 2024	CEO Succession
November 2024	Executive Management Member Succession Enhancement of the Executive succession and the candidate recommendation process
February 2025	Executive Organization Structure for FY2026/3
March 2025	Proposal for Election of Directors to be Submitted to the General Meeting of Shareholders Recommendation to the Board for Appointment of Executive Officers CEO Leadership Feedback Personnel information including performance appraisals of Executive Officers

【Audit Committee】

The Audit Committee is responsible for auditing the execution of duties by Directors and Executive Officers, preparing audit reports, and deciding the details of proposals concerning the appointment, removal or non-reappointment the Accounting Auditor to be submitted to the General Meeting of Shareholders. The Audit Committee is chaired by Kunihito Minakawa, Independent External Director, and consists of four (4) Independent External Directors including the Chairperson. Kunihito Minakawa has the career and experiences of serving as Corporate Senior Vice President (in charge of accounting) and Corporate Auditor at a major international manufacturing company, and serving as Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner. Minakawa is equipped with abundant experiences and broad knowledge in the fields of finance and accounting. The Audit Committee Office is in place for the purpose of providing support to the Committee. The Audit Committee met on eleven (11) occasions in the fiscal year 2025. All Committee members attended all Committee meetings, with 100% attendance.

The main items for discussion, consideration and deliberation at the Audit Committee for the fiscal year 2025 are as follows.

・ The Audit Committee reviewed and verified the Executive Officers' understanding and actions on key management issues, including challenges in implementing the newly established medium-term plan (2030 Vision: Shift the Phase). Through interviews, the committee assessed risks and opportunities in business operations. For instance, in the area of "Decarbonization," a key focus of the new mid-term plan, the Audit Committee has been closely monitoring sustainability discussions at the Board of Directors and other meetings. The committee has focused on compliance with international disclosure

frameworks such as the European CSRD. It has conducted hearings with relevant departments to confirm data reporting processes and identify any issues.

- The Audit Committee confirmed and verified the status of the design and operation of internal control systems, including ethics and compliance, risk management, and internal control over financial reporting, through reports from the department in charge of internal control and site visits. In addition, AC requested the Executive Officers, etc. to further strengthen their efforts in governance and Group internal control over subsidiaries, considering our Group's situation, which has too many subsidiaries, joint ventures, and affiliates, and fraud risks. Furthermore, AC worked with the internal audit department and the external auditor to review the comprehensiveness and appropriateness of their audit scopes and identified risks. This collaboration enhanced the efficiency and effectiveness of audits through improved cooperation among the three teams.
- The Audit Committee confirmed and verified, through reports from and discussions with the Finance function and the Accounting Auditor, that they had appropriately examined and responded to important issues in the financial statements and conducted necessary audit procedures for each quarterly and annual financial statement. With respect to accounting issues subject to key audit matters (KAM), the Audit Committee reviewed the appropriateness of accounting treatment, including sensitivity analysis of future performance and calculation of fair value less cost to sell, based on the results of impairment tests for goodwill and intangible assets conducted in this fiscal year. Additionally, the Audit Committee confirmed and reviewed the appropriateness of the audit procedures and KAM text by the Accounting Auditor.

【Compensation Committee】

The Compensation Committee is in charge of deciding the compensation policy for Directors and Executive Officers, as well as the compensation details of individual Directors and Executive Officers. The Committee is chaired by Shinji Asatsuma, Independent External Director, and is composed of four (4) Directors including the Chairperson, three (3) of whom are Independent External Directors. The Company Secretary Department serves as the Committee’s secretariat providing support as necessary. In addition, members of the Human Resources Department assist the Committee as internal experts on matters of remuneration. The Committee meeting was held five (5) times in the fiscal year 2025. All Committee members attended all Committee meetings, with 100% attendance.

The main items for discussion, consideration and deliberation at the Compensation Committee for the fiscal year 2025 are as follows.

・The Compensation Committee deliberated and resolved the individual basic salary for

Directors and Executive Officers, the indicators related to the incentive compensation (performance-linked compensation) for Executive Officers, the method for determining the amount to be paid, and the amount to be paid based on the achievement of the indicators in the previous fiscal year.

・Executive Officers who are appointed pursuant to the terms and conditions of services in Japan are granted restricted shares as retirement benefits. Based on these terms and conditions, the Compensation Committee decided the number of restricted shares to be allocated to each of the relevant Executive Officers.

・The Committee had in-depth discussions on the performance-related compensation system for Executive Officers to make it more incentivizing and proper structure based on comparing and analyzing market data.

Month and Year of Meeting	Main Items for Discussion
May 2024	Annual Bonus for Executive Officers FY2024 Outcome Annual Bonus for Executive Officers FY2025 Plan Long Term Incentive Plan 2021-2024 Outcome
June 2024	Reward Review for External Directors The Number of Restricted Shares to be Allotted 2024-2027 Long Term Incentive Plan
September 2024	Review of Executive performance-related compensation Structure
January 2025	Voluntary Pay Return by Executive Officers
March 2025	Pay Review for Executive Officers Annual Bonus for Executive Officers FY2026 Design

【Executive Function】

Thirteen (13) Executive Officers are responsible for the business execution. One (1) of them is Representative Executive Officer performing the duties of CEO. The Management Committee is composed of Executive Officers with specific titles and with the rank of Senior Executive Officers or higher, and other Executive Officers who oversee key businesses and functions,- as permanent members. The Management Committee leads the Company's business operation and oversees the execution of businesses in order to realize the policies and targets set forth by the Board of Directors efficiently and appropriately. The Corporate Planning serves as a secretariat for the Management Committee. The Sustainability Committee builds the sustainability strategies, presides over the Group's sustainability related activities, and ensures effective communication

with various stakeholders. The Sustainability Committee is chaired by CEO or a person nominated by CEO. It is composed of CEO and other Executive Officers, the Heads of relevant Group Functions, and the Heads of Strategic Business Units. The Strategic Risk Committee periodically reviews policies, strategies, and frameworks concerning risk management throughout the Group, and integrates the results of such reviews into the organization's strategies and goals, in order to promote efficient business management and enhance the Group's medium and long-term corporate value. The Strategic Risk Committee is chaired by CRO and composed of CEO and other Executive Officers, the Heads of relevant Group Functions and the Heads of Strategic Business Units.

2. Audit system

【Internal Control, Internal Audit】

The NSG Group Internal Audit (GIA) performs internal audit on a group basis with twenty (20, as of the end of March 2025) full-time staff members. GIA conducts a group-wide internal audit through site visits in coordination with the Audit Committee and the Accounting Auditor by having meetings with them regularly according to an annual audit plan based on the resolution of the Company's Board of Directors on matters listed in the Article 416, Paragraph 1, Item 1, Subsection (b) and (e) of the Companies Act and under the internal control system established by the resolution. In addition, although GIA is one of the executive functions, a prior consent by the Audit Committee is required for an appointment of the Head of GIA as a mechanism to ensure his/her independence. The Departments responsible for internal control on top of GIA also hold meetings with the Audit Committee regularly and as necessary to exchange opinions and cooperate with each other and improve the effectiveness of audits.

【Audit by the Audit Committee】

All four (4) members of the Audit Committee are Independent External Directors, and Kunihito Minakawa who has considerable knowledge of finance and accounting chairs the Committee. The Audit Committee supervises and validates the status of the internal control system and its operation, and in accordance with the audit policy and the audit plan established by the Committee, holds interviews with the Executive Officers, attends important internal meetings including the Management Committee, and investigates the business activities as well as assets of the Company and its major subsidiaries, etc., with the assistance of the Audit Committee Office, which is dedicated to supporting the Committee. The Audit Committee holds meetings with the Accounting Auditor and GIA

regularly and as necessary to receive update on the audit implementation, exchange opinions and gather information.

【Accounting Audit】

The Company has signed an audit contract with Ernst& Young ShinNihon LLC and is subject to its accounting audit. Certified public accountants who have carried out the Company's accounting audit work during the current consolidated fiscal year 2025 are Daisuke Arikura, Tomohiro Hazama and Kentaro Koyama. The aforementioned audit firm takes measures so that the same person does not take charge of the Company's accounting audit beyond a certain period of time. The said three auditors satisfy the legal requirement pertaining to the number of years of continuous audit for the Company. There are 8 Certified Public Accountants and 32 other staff members helping the said three auditors perform the work.

3. Risk Management

The Group's risk management systems are established as "three lines of defence". The first line of defence is established within the Strategic Business Units (SBUs) and Group Functions, which manage risks across all the activities of the Group's operations. The second line of defence is made up of the Group Functions and the management team, which establish risk management policies and standards and monitor the effective operation of the controls. The third line of defence is provided by the Group Internal Audit (GIA), which makes an independent evaluation of the effectiveness of the controls and the risk management processes.

At the heart of its enterprise risk management system, the Group employs a two-tiered risk management framework comprising the Strategic Risk Committee (SRC) and the Enterprise Risk Management (ERM) Team.

The SRC is responsible for establishing a companywide risk management framework and promoting and coordinating the Group's risk management process. Specifically, the Committee prepares policies and procedures related to risk management and decides the policy for identifying, evaluating, and responding to risks including strategically critical risks that hinder the Group's goals.

The ERM Team is composed of the Heads of SBUs and Functions, and endeavors to improve the effectiveness of risk management by formulating necessary measures to mitigate the key risks pertaining to business execution, and reports on its activities to the SRC.

GIA audits the risk management policies, frameworks and processes formulated by the SRC from the independent standpoint and points out any deficiencies and carries

out other activities to ensure its effectiveness. In addition, the Audit Committee cooperates with GIA to monitor the effectiveness of Group-wide risk management, including the activities of the SRC, from the perspective of sustainable growth of the Group over the medium to long term.

4. Ethics and Compliance

The Group E&C Department is in place for the purpose of ensuring compliance throughout the Group. Under the internal control system, the Group E&C Department formulates, implements, and manages the comprehensive ethics and compliance policy in the Group, and is obliged to report directly to the Audit Committee about important matters.

5. Matters pertaining to External Directors

【Independence from the Company】

Six (6) External Directors are designated as Independent Directors as stipulated by the Tokyo Stock Exchange (TSE) and reported to that effect to TSE. In addition to the independence standards of External Directors as defined by TSE, the Company has established its own independence standards also factoring in the relationships with the Group, the Group's Executive Officers as well as major shareholders, as described in [Independent Directors]. All of the six (6) External Directors meet the relevant standards of independence.

【Supervision by External Directors and collaboration with other audits】

In addition to attending various important internal meetings, External Directors, as mentioned above, collect information and exchange opinions through collaboration with the Accounting Auditor, the Group Internal Control and the Group Internal Audit. Based on the information gathered this way, the External Directors supervise the execution of duties by the Executive Officers and Directors through the Board of Directors.

【Outline of an Agreement on Liability Limitation】

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, an agreement is concluded between the Company and each of the External Directors pertaining to the liability for damages under Article 423, Paragraph 1 of the same Act to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence be limited to the amount as stipulated in each item of Article 425, Paragraph 1 of the same Act.

3. Reasons for Adoption of Current Corporate Governance System [updated]

【Reasons for adopting the Company with Three-Committee structure】

We adopt the Company with Three-Committee structure to promote the separation of executive and supervisory functions, enhance management transparency, improve the level of corporate governance, and thereby become a company trusted by our shareholders.

【Roles and Functions of External Directors in the Company】

We expect that Independent External Director Hiroshi Ishino, who is the Chairperson of the Board of Directors and the Nomination Committee, will contribute to the maintenance and reinforcement of governance and ultimately to the enhancement of corporate value by overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge with regard to business management through the Board of Directors and Nomination Committee.

While the Company has succession plans for the Chairpersons of the Board as well as each Committee to be appointed from among Independent External Directors, Hiroshi Ishino was chosen to be the Chairperson of both the Board and the Nomination Committee as a special exception from among Independent External Directors reappointed in view of the balance in terms of the appointments of the Chairpersons of three Committees, as well as his experiences and skills.

We expect that Independent External Director Kunihito Minakawa, who is the Chairperson of the Audit Committee and a member of the Nomination and Compensation Committees, will contribute to the maintenance and reinforcement of governance and ultimately to the enhancement of corporate value by overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge with regard to business management through the Board of Directors and each Committee.

We expect that Independent External Director Shinji Asatsuma, who is the Chairperson of the Compensation Committee and a member of the Nomination and Audit Committees, will contribute to the maintenance and reinforcement of governance and ultimately to the enhancement of corporate value by overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge with regard to business management through the Board of Directors and each Committee.

We expect that Independent External Director Tetsuya Fujioka, who is a member of the Audit Committee, will contribute to the maintenance and reinforcement of governance and ultimately to the enhancement of corporate value by overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon her abundant experiences and broad knowledge with regard to business management through the Board of Directors and each Committee.

We expect that Independent External Director Takehiro Kamigama, who is a member of the Nomination and Compensation Committees, will contribute to the maintenance and reinforcement of governance and ultimately to the enhancement of corporate value by overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon her abundant experiences and broad knowledge with regard to business management through the Board of Directors and each Committee.

We expect that Independent External Director Hideki Miyazaki, who is a member of the Nomination and Audit Committees, will contribute to the maintenance and reinforcement of governance and ultimately to the enhancement of corporate value by overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon her abundant experiences and broad knowledge with regard to business management through the Board of Directors and each Committee.

We believe that the presence of these External Directors, who are independent of the Group, and their roles as the Chairperson of each Committee will contribute to the further enhancement of management transparency and therefore corporate governance.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Group sends the notice 3 weeks prior to the day of the Ordinary General Meeting of Shareholders. The Group publicizes the notice 4 weeks prior to the day of the Ordinary General Meeting of Shareholders by filing it with the Tokyo Stock Exchange and the electronic platform operated by ICJ and publishing it on our website.
Allowing Electronic Exercise of Voting Rights	To allow shareholders to submit their votes via the Internet, the Group takes part in an electronic voting platform that permits the use of voting websites.
Participation in Electronic Voting Platform and Other Initiatives to Improve Environment for Institutional Investors to Exercise Their Voting Rights	The Group takes part in the electronic platform operated by ICJ for institutional investors.
Providing Convocation Notice (Summary) in English	The Group publicizes the English notice (including Business Reports and Consolidated Financial Statements in full sentences, but excluding Audit Reports) by filing it with the Tokyo Stock Exchange and the aforementioned platform, as well as on our website, by 4 weeks prior to the day of the Ordinary Shareholders' Meeting.
Other	The Shareholders' Meeting resolutions and voting results (in both Japanese and English) are posted on our website in addition to extraordinary reports (in Japanese only) submitted via EDINET.

2. Investor relations (IR) Activities [updated]

	Supplementary Explanations	Presentation by President
Preparation and Publication of Disclosure Policy	The Group's disclosure policy can be found on our website. (FYI) https://www.nsg.com/en/investors/contact/ir-policy	

Regular Investor Briefings for Individual Investors	The Group does not hold any regular briefings. Instead, we have set up a section called "For Individual Investors" on our website to provide information for individual investors.	No
Regular Investor Briefings for Analysts and Institutional Investors	The Group, in principle, holds regular online briefings for analysts and institutional investors after every quarterly results announcement in August, November, and February, as well as after the annual closing in May. CFO provides explanations in August (for the 1st quarter) and February (for the 3rd quarter) while both CEO and CFO provide explanations in November (for the 2nd quarter) and May (for the full year), attracting approximately 50 participants each time. In addition to the above, we are planning to hold briefing sessions for institutional investors and analysts to explain individual businesses. The Group holds individual meetings with domestic institutional investors in charge of exercising their voting rights, in principle, twice a year (19 meetings were held in the fiscal year 2025/3). We provide them with information on the Group's performance, sustainability initiatives, and corporate governance, etc., and exchange opinions on voting criteria and other matters. We plan to hold these meetings on a regular basis in the future.	Yes No
Regular Investor Briefings for Overseas Investors	The Group does not hold any regular briefings. Instead, the Group holds an online individual meeting for each quarterly	No

	financial result. (In the fiscal year 2025/3, a total of 28 meetings were held).	
Posting of IR Materials on Website	The materials posted on the Group's website include financial results information, timely disclosure materials (other than financial results information), Annual Securities Reports or First Half Reports, Quarterly Results presentation materials, Shareholder Newsletter ("To our shareholders"), Notice of Convening Ordinary General Meeting of Shareholders/ voting results, corporate governance updates, Integrated Reports (including Finance Data and Sustainability Data Book), and Corporate Profile for Investors ("Introduction to NSG"). English-language materials are also posted on our website at the same time as the Japanese-language materials. (However, the English versions of the Annual Securities Reports include only the financial statements and the sections titled 'Issues to be addressed', 'Management's Discussion and Analysis of Financial Condition and Results of Operations', and 'Business and Other Risks'. Also, the English versions of the First Half Report are not provided.) https://www.nsg.com/en/investors/ir-library	
Establishment of Department and/or Manager in Charge of IR	Our IR Department (Hiroyuki Genkai, General Manager, Investor Relations) is responsible for IR.	
Other	Our website provides the Group's Corporate Profile, IR schedule, stock price, and other relevant information for individual investors. "IR news mail alert service" is also available on demand basis.	

	Issues raised by analysts and institutional investors are reported quarterly as feedback from regular investor briefings and IR meetings in high-level meetings such as those of the Board of Directors and the Management Committee, to ensure that the requests from the market are reflected in the management.	

3. Measures to Ensure Due Respect for Stakeholders [updated]

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	NSG Group's Corporate Governance Guidelines define how to build good relationships with diverse stakeholders such as employees, customers, suppliers, business partners, and local communities. Furthermore, other internal rules including Sustainability Policy under these guidelines refer to more specific relationships.
Implementation of Environmental Activities, CSR Activities etc.	The Company has adopted, among others, NSG Group Code of Ethics, and Sustainability Policy, and has proactively performed actions for environmental preservation and other sustainability agenda under such framework. The Sustainability Committee chaired by CEO or a person nominated by CEO, manages, adjusts, and monitors those activities for promotion of sustainability. The Board has defined clear and unambiguous goals of the Group in the areas such as environment, safety, energy, CO2 reduction, sustainable highly value adding product development, procurement and transportation responsibility, and employees. The status of the progress vis-à-vis such goals is disclosed in our Integrated Report (including Finance Data and Sustainability Data Book) and on our website. https://www.nsg.com/en/investors/ir-library/annual-reports
Development of Policies on Information Provision to Stakeholders	NSG Group has established Corporate Governance Guidelines, Policy on Constructive Dialogue with Shareholders, Sustainability Policy, and Disclosure Policy, which are disclosed on our website.
Other	【Health Management】 NSG Group believes that "People are our most important asset", and that health promotion is indispensable for our employees to maximize their individual abilities, leading to the sustainable improvement of the company's value. In January 2020, we made a "Health Management Declaration" in Japan. The details of the declaration, the promotion system, and major initiatives are disclosed on our website. https://www.nsg.com/en/sustainability/social/human-resources/wellbeing

IV. Matters Related to the Internal Control System [updated]

1. Basic Views on Internal Control System and the Progress of System Development

(1) Basic Views on Internal Control System

The basic views of the Group's internal control system are described in the "Basic Views on Construction of Internal Control System" and disclosed on the Company's website.

http://www.nsg.com/~/media/NSG/Site-Content/sustainability/Downloads-attached-to-pages-in-sustainability-section/Annex/Annex10_3_2411_E.pdf

(2) Maintenance and operation status of Internal Control System

①Actions with regard to the Group's Ethics and Compliance

- The NSG Group Code of Ethics broadly covers the ethical behavior expected of our employees in the work place, including compliance with the law and all major Group policies, procedures, and guidelines. The Code is available in all 19 Group languages on its intranet.

  The Group has in place the Reporting of Concerns system including the Ethics and Compliance (E&C) Hotline. The confidential hotline, available in multiple languages, is operated by a qualified third party allowing anyone to report E&C related concerns anytime, even anonymously except as prohibited legally. Group E&C Function periodically reviews and properly controls the Group policies and procedures related to the Reporting of Concerns system, communicating them to the employees. Hotline reports are handled consistently in accordance with the relevant Group policies and procedures, being appropriately investigated where warranted. Any form of retaliation against an individual who has reported in good faith is expressly prohibited. In FY2025, 265 allegations were reported via the Reporting of Concerns system.
- The Code of Ethics explicitly states our respect for internationally declared human rights. In the fiscal year, the Group formulated Human Rights Policy where we identified the most relevant human rights areas for the Group with our commitment in each. Any concerns regarding human rights can be reported through the Reporting of Concerns system and addressed accordingly in a manner as described above.
- The Group set in place the position of Chief Ethics and Compliance Officer (CE&CO) who is an Executive Officer. Under the Group CE&CO's leadership, E&C Director is responsible for managing the whole E&C program and each E&C regional manager for embedding E&C culture into the whole organization within the major regions of the Group as well as covering risks in each region, liaising with the Ethics Network (Ethics Ambassadors and Champions). *

* A Global Ethics Network is aimed to enhance the ethical culture and monitor compliance risks throughout the Group. The Ethics Network consists of senior managers who have been appointed Regional Ethics Ambassadors and Ethics Champions. Both roles will play a vital part in the communication and promotion of the Code of Ethics by leading and championing ethics and compliance in their local region or function which in turn will help embed ethics into the business.

- Since FY2022, the group-wide Ethics & Compliance Week has annually taken place for further embedding ethical culture into the organizations throughout the Group. During the Week, Group E&C provides some programs such as relevant survey, communications and educations regarding basics and requirements of ethics and compliance. The theme of the Week for FY2025 was "Transparency In All That We Do." Additionally, each E&C regional manager visited major production sites to reach out to the shop-floor workers there trying to make more direct and better communication with them about ethics and compliance ("Gemba Walk").
- The Group requires its employees to report or obtain prior permission from Group E&C regarding certain high-risk areas such as competition law compliance (CC) and Anti-Bribery and Anti-Corruption (ABAC) via the designated online system. In addition, Group employees are required to report conflict of interests to the company.
- The Group is monitoring third parties such as agents, consultants and joint venture partners that meet certain risk criteria of the ABAC policy.
- Globally, Group E&C screens business partners against all necessary sanctions lists on a continuous basis.
- Group E&C facilitates participation in trade-related programs such as C-TPAT (Customs-Trade Partnership Against Terrorism), and, AEO (Authorized Economic Operator) at multiple locations around the Group. These programs demonstrate the Group's commitment to supply chain and facility security as well as strong adherence to Customs regulations.
- The Group annually provides relevant online trainings to CC and/or ABAC key roles. Further, additional areas such as Code of Ethics, General Data Protection Regulation (GDPR), IS Security, Fraud and Diversity, Equity & Inclusion are covered accordingly in annual training campaign and/or onboarding.
- Group E&C periodically issues E&C briefings, which are translated in 14 languages and available on the Group's intranet. In addition, each E&C regional manager publishes regional E&C newsletters for E&C communication and education for local employees.
- Group E&C regularly shares material E&C issues with the relevant SBU/Function heads as well as reports to Audit Committee on its performance and action plans.

- The Group measures the effectiveness of Group E&C program against specific metrics and KPIs with statistical data in several areas regarding E&C activities.

②Actions with regard to the Group's Risk Management

- Under "Group Policy for Managing Group Policies, Procedures, Manuals and Guidelines Etc." the overall Group Policy framework, structure, responsibility and scope of its application are defined and organized accordingly.
- In FY2025, we revised "NSG Group Risk Management Policy," and annually identify and assess material risks which should be controlled on a group basis in accordance with the Policy.
- We have in place Strategic Risk Committee (SRC) whose member consists of CEO, other Executive Officers and relevant senior managers; Chief Risk Officer ("CRO") is appointed from among the Executive Officers. SRC defines overall framework for the enterprise risk management of the Group and identifies and assesses the highlevel risks which potentially could have a material adverse effect on the Group businesses. SRC reviews, endorses and monitors any action for mitigation of these high risks taken by the relevant Strategic Business Units (SBUs) and Functions. CRO chairs SRC meetings and, as the representative of the Committee, regularly made reports to the Management Committee and Audit Committee on the effectiveness of the Group's internal control system, risk management structure and so forth.
- SRC was held three times in FY2025 where the material risks were confirmed, the above framework discussed for ongoing review and any action to address the risks including global insurance program monitored for optimization and improvement, as well as the "bottom up" SBU risk management process.
- Each SBU and Function manages and controls risks associated with its own responsibilities, regularly and or as needed, to SRC.
- Internal Audit Function is tasked with providing independent assurance to efficacy of such overall enterprise risk management of the Group.
- In addition to the risk management and control implemented by SBUs and Functions, we have also the NSG Group Entities Management Policy enabling us to comprehensively identify and manage and control material risks particularly in light of each legal entity constituting the Group. The Executive Officer in charge is responsible for regularly reporting such entity related risks to Management Committee and the Board of Directors. The Group has also established its Procedures to make clearer the accountability of the Executive Officers for the governance of the relevant Group entities and responsibility of each entity's directors.
- We have "NSG Group Insurance Policy," measuring risks such as potential losses due to natural disasters, under the supervision of the Strategic Risk Committee, reviewing and implementing comprehensive insurance coverage at the group level every fiscal period within the global insurance program.
- Preparing for potential major incidents and calamities, we place a major incident management team at each operating site where major incident management plan is

prepared and in operation, based on NSG Group Business Continuity Policy which was revised in FY2025 and Major Incident Guidelines. The Group upgraded the previous status of the "Major Incident – Escalation and Communication Guidelines" to that of "Policy" level in FY2025, to reinforce the organizational structure, thus ensuring that it can react to any major incidents in a timely, consistent, and balanced manner as the Group.

- Executive Officers of the Company preserve, maintain and control such information or data as may be relevant to their performance of the duties in their capacity in accordance with the NSG Group Record Retention Policy and IS Security Policy.

③ Actions to Ensure the Group's Efficient and Effective Management

- The Group has in place the Management Committee (MC) as advisory board for the President/Chief Executive Officer (CEO) in order for the policies and goals established by the Board of Directors to be efficiently and adequately carried out. 14 MC meetings were held during FY2025.
- The Group Sustainability Committee (SC) builds the sustainability strategies, presides over all of the Group's sustainability related activities, and ensures effective communication with various stakeholders under the "NSG Group Basic Policy on Sustainability" which was authorized by the Board of Directors. SC meetings were held three times in FY2025 reviewing the progress of such activities.
- We have promoted the initiative of separation of oversight and executive role whereby we strengthen the supervisory role and duties of the Board over the executives whilst making necessary delegation of powers and authorities to the executives, thus seeking to enhance transparency and agility of whole management process.
- The Company Secretary will be appointed by the resolution of the Board of Directors. The Company Secretary is responsible for all governance duties, providing support to the Board of Directors and the Committees in an integrated manner by one office for the proper functioning of the Board of Directors and Committees. Therefore, the Company Secretary who occupies a unique position between the Board of Directors and the Executive Division is responsible for ensuring effective communication between them.
- We set in place the internal rule clarifying the roles and decision-making authorities of each layer of management from Representative Executive Officers to each regional SBU heads. As such the Group operates the organization in which we can make business decisions appropriately and timely addressing changes of market and business environment etc.
- We have introduced and effected IT-operated authorization flow process for efficient and effective business management, including in relation to performance management against progress or results of management plans such as long and medium-term plan or annual plan and approval process for capital expenditures requisition.
- Under "Basic Policy on Group Organization and Governance," we confirm the role and expectation of each SBU and Function and the Group's overall business structure including their interrelationship as well as checks and balances between the Board and executives in case of material restructuring. We operate the organization with its reporting lines

clarified by having the specific organization charts by each SBU and function which supports SBUs.

- We are constantly reviewing how the various meetings should be set and positioned accordingly with the aim of establishing a more agile and resilient management structure, minimizing costs for meeting and maximizing its effectiveness.

④ Actions to Ensure the Effectiveness of the Group's Audit

- Group Internal Audit implements audits on a group basis in accordance with annual audit plan agreed by Audit Committee, and reports such audit results to Audit Committee, Executive Officers and external Accounting Auditor. Group Internal Audit is responsible for assessing the effectiveness of the Group's risk management and internal control systems by conducting audits independently of each executive department. During the year, Group Internal Audit assessed the effectiveness of internal control over financial reporting and performed audits of other risk-based audits, including IT system audits.
- During FY2025, the Group revised "Fundamental Policies of the Company on creation of effective internal control system of the Group". This requires the consent from Audit Committee when formulating or amending the basic regulations that stipulate the roles, duties, and responsibilities of the Internal Audit Department. Through this revision, the Group aim to further strengthen the Audit Committee's involvement and independence, as well as enhance the overall effectiveness of internal audits.
- Any appointment and dismissal of the Head of the Internal Audit Function, shall require the prior consent of the Audit Committee. This ensures the independence of Internal Audit Function.
- Two dedicated Support Staffs of the Audit Committee are appointed for assistance of Audit Committee, and report to and provide necessary information to Audit Committee.
- A member of Audit Committee and Support Staff of Audit Committee attends internal material meetings such as MC in order to ensure the effectiveness of their audit. They have rights to access necessary important documents and so on for their audit.
- Audit Committee periodically meets with Group Internal Audit and other internal control functions and hear reports from them regarding the execution of duties by Executive Officers and others, the status of internal audits, and the status of the establishment and operation of internal control systems and exchange views with them. During the year, Audit Committee interviewed seven Executive Officers and others and confirmed their execution of duties. Audit Committee also received reports from internal control functions and reviewed and confirmed the design and operation of internal control systems, including ethics and compliance, risk management, and internal control over financial reporting.
- Audit Committee meets with the Accounting Auditor on a periodical and as-necessary basis, keeping close communication with them on important audit issues and challenges.
- Audit Committee conducts on-site or online audits at the major business establishments of the Group that it deems particularly necessary. During the year, Audit Committee conducted on-site audits at six sites (one in Japan and five overseas).

2. Basic Views on Eliminating Anti-Social Forces

The NSG Group articulates in its Code of Ethics that the Group shall consistently act ethically and comply with laws applicable in nations wherever the Group has its business footprint.
We deal with the anti-social forces in accordance with Japanese regulations based on our Code of Ethics. Our compliance manuals describe our philosophy of uncompromised resolve against the anti-social forces which do harm to a social order and safety and our firm attitude to the anti-social forces. We get such a spirit across to our employees through our in-house compliance training. Also, Group Internal Audit, Group E&C and Legal Function carry out monitoring on our effort in compliance including exclusion of anti-social forces and maintaining collaborative liaison with lawyers and law enforcement authorities, we collect and manage information on anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation
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2. Other Matters Concerning to Corporate Governance System

(1) Internal mechanism pertinent to timely corporate information disclosure

① Disclosure of information on important decision

Any important decision subject to the timely disclosure is firstly initiated and escalated by a division involved under our internal policy, then is assigned particular decision making unit by a Representative Executive Officer or in the Board followed by an immediate disclosure by IR under the direction of representative in charge of information disclosure. Any decision on critical issues is disclosed in a timely manner under the structure where IR and relevant divisions such as the Secretariat of the Board or Management Committee work together in order to avoid any incomplete disclosure by checking interactively.

Initiated by Division →Decision making unit assigned→ IR or relevant division → timely disclosure

② Disclosure of information on results information

Information on business results drafted firstly by the Finance is resolved or finalized by the Board. It is disclosed by IR under the direction of representative in charge of information disclosure immediately after the decision.

Finance →Decision making unit assigned→ IR → timely disclosure

③ Disclosure of information on material facts

Any material fact subject to timely disclosure is reported promptly by Divisions upon its occurrence to IR, who, under the direction of representative in charge of information disclosure, carries out timely disclosure.

Initiated by division incurred → IR → timely disclosure

(2) Exemptions of the liabilities of Directors and Executive Officers

The Company's Articles of Incorporation stipulate that the Company may, pursuant to the provisions of the Article 426, Paragraph 1 of the Companies Act of Japan, and by resolution of the Board of Directors, exempt its Directors (including former Directors) and Executive Officers (including former Executive Officers) from their liabilities for compensation of damage with respect to the acts mentioned in Article 423, Paragraph 1 of the Companies Act of Japan to the extent permitted by laws and regulations in order to enable Directors and Executive Officer to fully play their expected roles.

(3) Directors and Officers liability insurance

The Company contracts the Directors and Officers liability insurance based on the Article 430-3, Paragraph 1 of the Companies Act of Japan with insurance companies, and the policy will compensate any reasonable and necessary legal or other defense costs incurred in defending an action brought against them during the policy period. It also pays any ensuing damages, judgements and settlements that are awarded to the plaintiff or third party against the Director or officer.

Insured Persons include Directors and Executive Officers of the Company as well as any and all of past, present and future Directors and officers and employees of the Company and its subsidiaries. The premium of the insurance for the insured is paid by the Company. The policy does not cover claims in relation to any unlawful profit or advantage gained or provided by insureds for the benefit of their own or any third party or those against them based upon any willful conduct or fraud committed.

Corprorate Governance Mechanism (as of 27 June 2025)

